Canadian railroads are trying to cut **fuel costs** by using crude oil in diesels. . . . . p. 21

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December 17, 1962

RAILWAY AGE WEEKLY

EXCLUSIVE INTERVIEW with J. E. WOLFE

What's Ahead for Rail Labor Negotiations?

p. 12

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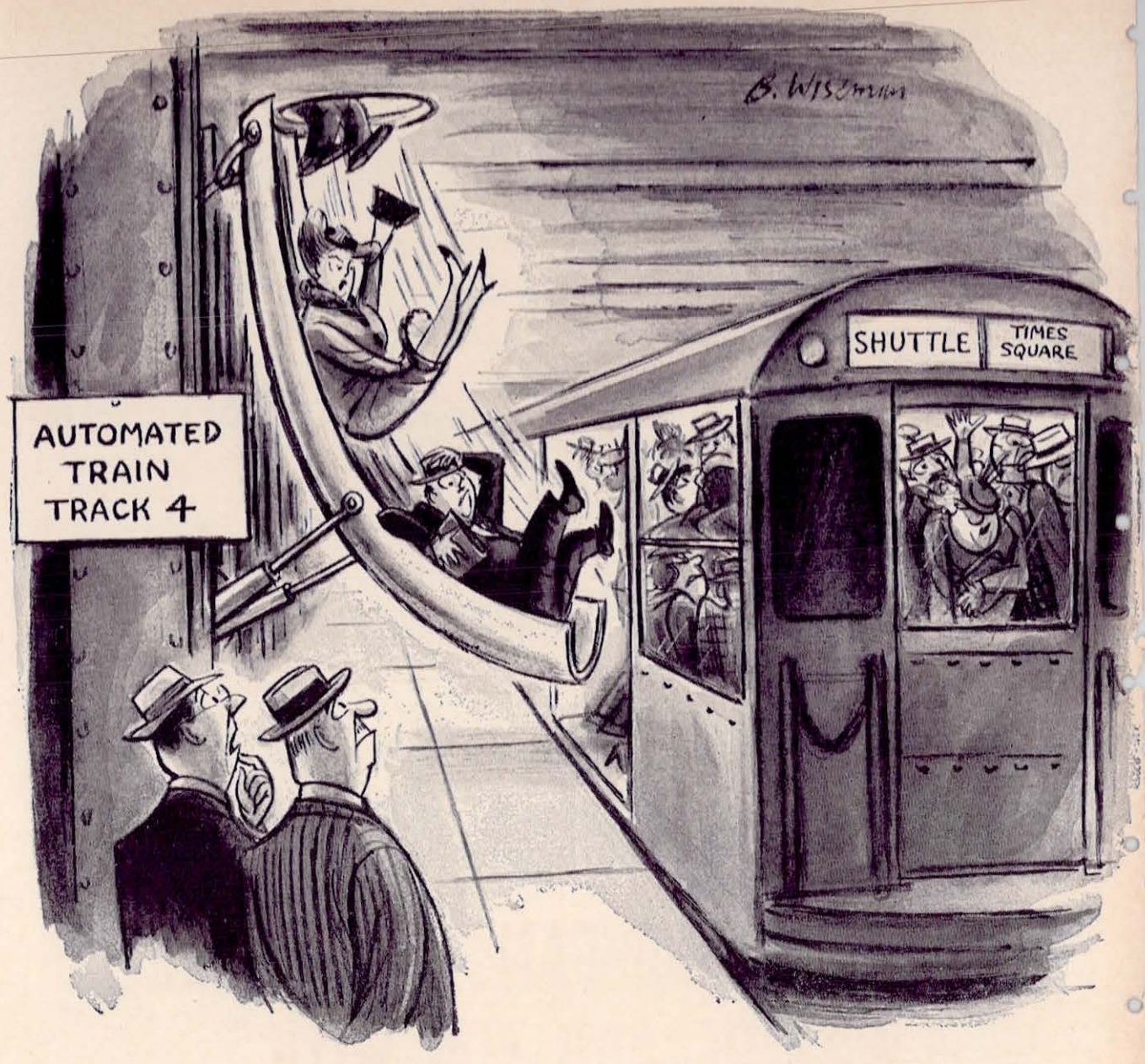

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December 17, 1962 • Vol. 153, No. 25

1963 merger outlook bright

Railroad men now seem confident that the new year will be the year for merger breakthrough. A half-dozen major cases are seen as near future possibilities.....**p. 9**

Ops ask rehearing in work rules case

The operating brotherhoods have decided to go back to the Court of Appeals for a rehearing in the work rules dispute, passing up the Supreme Court—for the moment **p.11**

What's ahead for rail labor negotiations?

In this exclusive interview, James E. Wolfe, chairman of the National Railway Labor Conference, tells why the group was formed and what it hopes to accomplish.....**p.12**

Railway Labor Act: Time for a change?

The Act was once regarded as a piece of model legislation, but today both management and labor—for differing reasons—see a definite need for revision.....**p.16**

Canadian RRs try to cut fuel costs

The cost-cutting experiment involves use of crude oil in diesel locomotives. Forty CP and CN locomotives are being road tested, following successful laboratory work.....**p.21**

Transit need cited in Chicago study

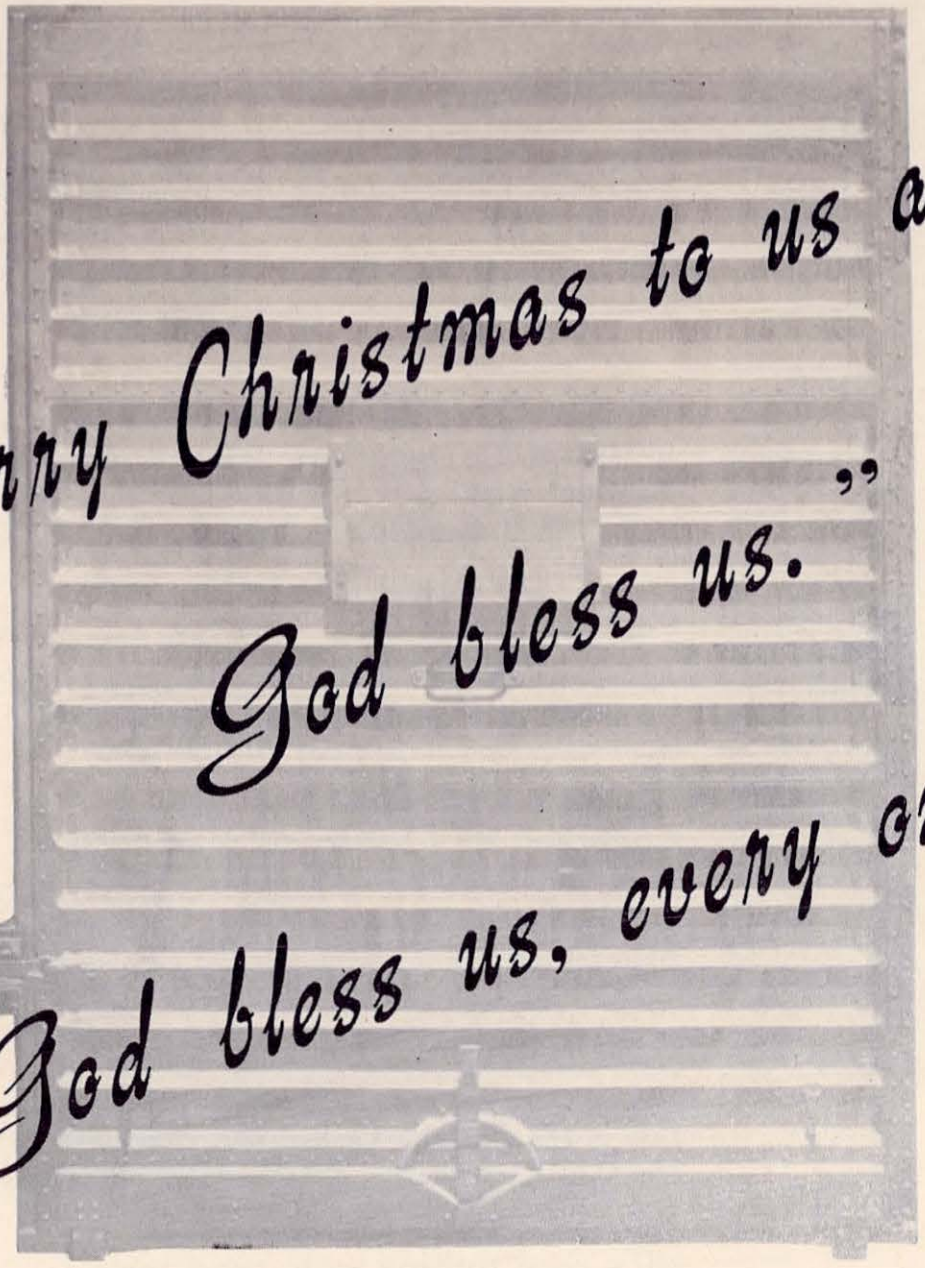
An engineering firm has recommended a $36,000,000 extension of the Chicago Transit Authority's rapid transit system in the median strip of the Northwest Expressway.....**p.36**

UP's coal turbine gets road tests

The complete locomotive consists of a 2,000-hp diesel-electric A unit, a 5,000-hp coal-fired gas turbine B unit, and a tender which carries coal and coal-pulverizing equipment.....**p.37**

New rental idea proposed for M/W machines

Basically, the new idea involves setting up within the corporate body of a railroad an organization that would rent the M/W equipment to the using department.....**p.38**



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RAILWAY AGE WEEK AT A GLANCE

Truckers, shippers differ on TOFC

The NIT League favors ICC encouragement of piggyback development, while the American Trucking Associations seeks rules proscribing some present TOFC practices **p.42**

Transport study is approved

President Kennedy will ask Congress to appropriate $1 million for a study to develop improved transport facilities in the Boston-Washington "megalopolitan corridor." **p.45**

The Action Page—Good will to whom?

All the customary expressions of affection and goodwill exchanged at this time of year are a waste of printing, postage and paper—unless words are matched by deeds.....**p.50**

Short and Significant

Abandonment of the Rutland . . .

has won final ICC approval and can become effective Dec. 26. The ICC last week rejected a union plea for rehearing of the case (RA, Oct. 29, p.68).

Integral trains are under study . . .

by several midwestern railroads. They would have new cars for heavier loading and automatic dumping to handle volume coal movements to industrial and power plants.

Pullman-Standard's new trough-hatch car . . .

is scheduled for experimental grain loading this week at Cargill, Inc., Port Savage, Wis. Center trough eliminates separate loading hatches. Center gates simplify unloading.

Current Statistics

Operating revenues		**Carloadings revenue freight**	
9 mos., 1962	$7,035,376,998	49 wks., 1962	27,347,465
9 mos., 1961	6,771,076,465	49 wks., 1961	27,112,470
Operating expenses		**Freight cars on order**	
9 mos., 1962	5,545,479,320	Nov. 1, 1962	12,159
9 mos., 1961	5,426,373,777	Nov. 1, 1961	10,297
Taxes		**Freight cars delivered**	
9 mos., 1962	768,935,690	10 mos., 1962	32,451
9 mos., 1961	735,208,175	10 mos., 1961	27,093
Net railway operating income		**Serviceable cars**	
9 mos., 1962	430,294,601	Nov. 1, 1962	1,432,235
9 mos., 1961	316,265,358	Nov. 1, 1961	1,466,990
Net income estimated		**Cars awaiting repairs**	
9 mos., 1962	296,000,000	Nov. 1, 1962	131,055
9 mos., 1961	184,000,000	Nov. 1, 1961	147,043

Strong on Steel—150 Piggy-back trailers

Rugged strength was the No. 1 reason why USS Cor-Ten High-Strength Low-Alloy Steel was used for 150 new semi-trailers purchased by Piggy-Back Leasing Corporation of Chicago.

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Piggy-Back Leasing Corporation started out only a few years ago with a variety of semi-trailers. Many of these couldn't stand up under the rigors of combined highway and rail service. Maintenance was high and every day spent in the repair shop meant a day's revenue lost.

Mr. Nicholas S. Cordin, chairman of the board, Piggy-Back Leasing Corp., discussed the problem with Mr. C. Lon Schneider, president of Highway Trailer Industries, Inc., Edgerton, Wisconsin. They came up with a new semi-trailer designed for rugged strength and durability. USS Cor-Ten Steel, which has been so successful on the railroads for almost 30 years, was selected for this job.

150 USS Cor-Ten Steel Trailers. Results of using the first 50 Cor-Ten trailers were so good that 100 more were ordered and are now in service. These are hauling heavier payloads and making more profit by staying on the job and out of the repair shop.

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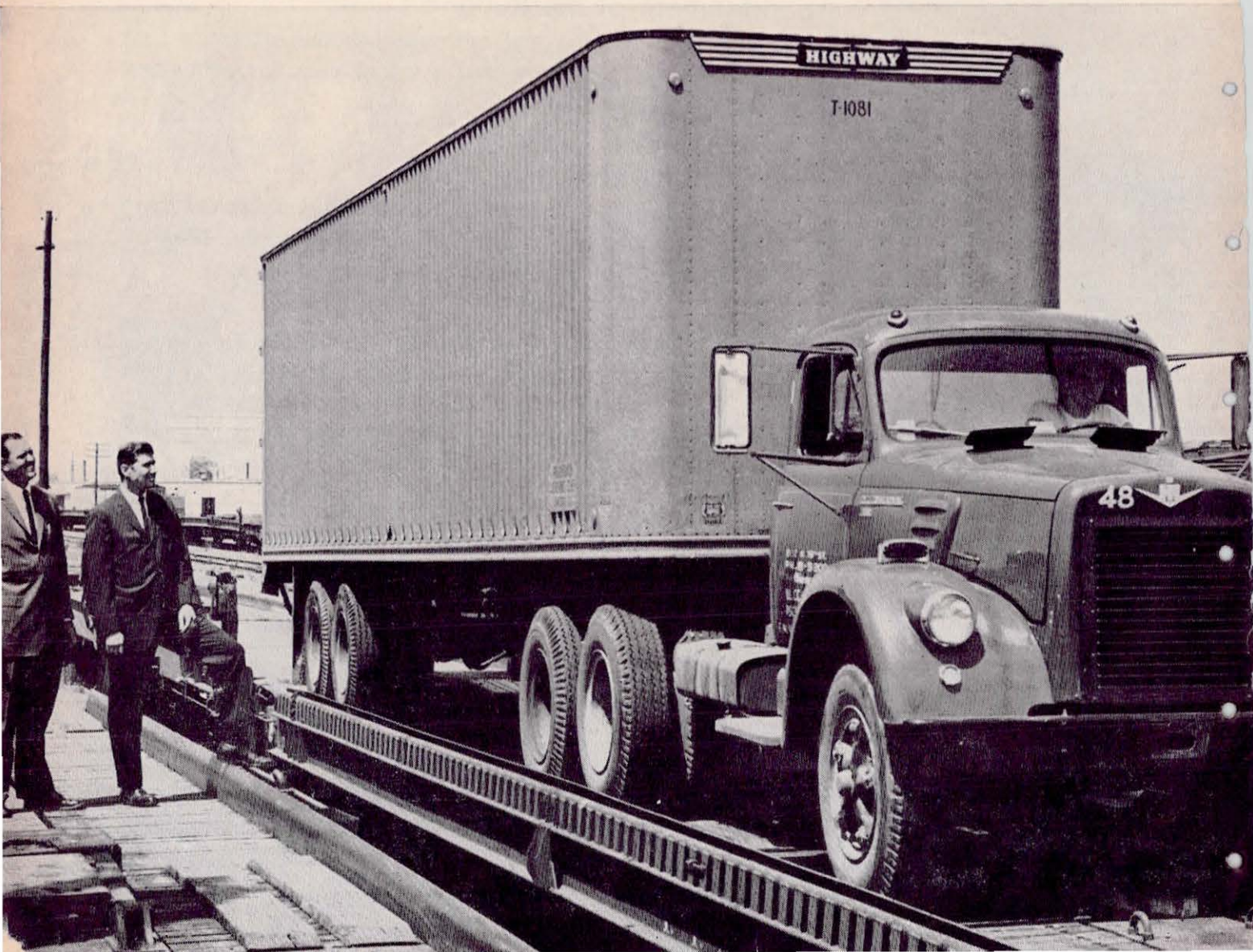
F. Marshall Hayes, vice president, and Hamlin A. Smith, assistant to the president, Piggy-Back Leasing Corporation, watch USS COR-TEN Steel trailer during TOFC operation. USS COR-TEN resists shock and vibration of rail travel.



1963 Merger Outlook Bright

Railroad maps of the United States may be redrawn in 1963 as they haven't been in any year since the great railroad construction boom ended in the late 1800's.

By and large, the merger story in 1962 was one of much activity, little action. But the year was a productive one in at least two categories:

- A half-dozen major consolidation cases moved to a point where final decision by the ICC can be classed as a near-future possibility.
- Railroads and their backers turned aside a powerful effort, supported largely by rail unions, to block—or at least delay—mergers through legislative action.

Most railroad men now seem confident that 1963 will be a breakthrough year for merger. Two proposals—the Atlantic Coast Line-Seaboard Air Line merger and Chesapeake & Ohio control of Baltimore & Ohio—have won ICC examiners' approval. Three other cases are under study by examiners. And another two will reach that stage early next year.

Twelve roads (and a part of a thirteenth) are involved in the proposals now in the hands of examiners. Most recent case to be submitted was Norfolk & Western's plan for merger with Nickel Plate; lease-purchase of Wabash; purchase of Akron, Canton & Youngstown and the Pennsylvania's Sandusky line in Ohio; and lease of Pittsburgh & West Virginia. Previously, examiners took hold of two disputed control cases—the rival plans of Santa Fe and Southern Pacific to control Western Pacific; and the competing proposals of Missouri Pacific and Illinois Central to control Chicago & Eastern Illinois, along with Louisville & Nashville's bid to acquire C&EI's line between Chicago and Evansville, Ind.

First scheduled merger deadline of the new year will come, perhaps appropri-

The Merging Railroads: Where Do They Stand?

The Merger	STATUS AT A GLANCE
In the East:	
Chesapeake & Ohio-Baltimore & Ohio	Control of B&O by C&O approved by ICC examiner; decision by Commission expected early in 1963
Norfolk & Western-Nickel Plate—Wabash—Akron, Canton & Youngstown—Pittsburgh & West Virginia	Hearings completed on N&W plan for merger with NKP, lease-purchase of Wabash, purchase of AC&Y and PRR Sandusky line and lease of P&WV
Pennsylvania-New York Central	Regional hearings set for December, January, February. Final round of hearings to begin Feb. 11 in Washington
Boston & Maine—Boston & Albany	Exploratory talks continuing.
In the West:	
Santa Fe-Southern Pacific-Western Pacific	Hearings completed and final briefs filed on rival proposals to control WP. Examiner's report expected early in 1963
Missouri Pacific-Illinois Central-Louisville & Nashville-Chicago & Eastern Illinois	Hearings completed and final briefs filed on rival proposals by MP and IC to control C&EI, by L&N to purchase C&EI Evansville-Chicago line
Great Northern-Northern Pacific-Burlington-Spokane, Portland & Seattle	Hearings completed, final briefs due Jan. 4, 1963
Southern Pacific-Union Pacific—Rock Island	Study in progress
Illinois Central-Gulf, Mobile & Ohio	Study in progress; preliminary reports indicate strong possibility that merger plan will be proposed
Soo Line-Chicago Great Western	Study in progress
In the Southeast:	
Southern-Central of Georgia	Purchase of control of CofG approved by ICC
Atlantic Coast Line-Seaboard Air Line	Merger approved by ICC examiner; decision by Commission expected early in 1963

• **REVENUE SPLITS** received by owner-operators will hereafter be accepted by the ICC as costs of regulated truckers which employ such operators. These regulated carriers can now defend their rates by using the revenue split in lieu of evidence showing costs of the owner-operators. After some inconclusive discussion of the matter in previous cases, the Commission has finally made this determination in No. 33208. It was a 7-to-4 decision embodied in a report by Commissioner Webb. It came under heavy fire from a dissenting opinion by Commissioner Freas who was joined by Commissioners Goff and Herring. They said the principle enunciated by the majority was "in sharp conflict" with sound regulation, and they predicted that the effect will be to give truckers using owner-operators "not only a defensive shield against the Commission but a lethal sword against their competitors." The other dissenter was Commissioner McPherson.

THE REGULATED CARRIER involved is Pittsburgh & New England Trucking Co., and the rates in issue apply on iron and steel scrap from origins in Connecticut, Massachusetts and Rhode Island to destinations in western Pennsylvania. They have been in effect 7½ years. The investigation of them was first assigned to Division 2, but the entire Commission took over "because of the importance of this proceeding with respect to the treatment of the costs of owner-operators."

ONE RAILROAD, the New Haven, and the Middle Atlantic Conference, a motor rate bureau, appeared in opposition to the rates, but introduced no evidence. The Commission's Bureau of Inquiry and Compliance made a presentation indicating that the rates were below out-of-pocket costs for the operation involved. While the Commission found that the Bureau thus made a *prima facie* case that the rates were unreasonable, it cleared them with another finding, i.e., that the carrier had overcome the Bureau's showing by evidence with revenue-split factors in lieu of owner-operator costs.

THE COST EVIDENCE points up the advantage of the revenue-split method to a carrier defending its competitive rates. P&NE gives its owner-operators 70% of the revenue. This "purchased transportation" was the biggest cost it showed, other items, all relatively small, being insurance, billing and collecting, and New York's ton-mile tax. Its ratios of revenue yields to out-of-pocket costs were 129 and 131. The ICC Bureau's showing was that yields from the rates were 11 to 32% below out-of-pocket costs.

THE COMMISSION MAJORITY was "not unmindful" that revenue-splitting arrangements "may hinder efforts to maintain rate levels which are just and reasonable." It went on to say, however, that any plan to prohibit or discourage such arrangements should not come out of "isolated rate cases"—it should rate a proceeding of its own. But the Commission has "no information indicating that serious consideration should be given to the institution of such a proceedings."

FROM THE FREAS DISSENT: "It would be quite inconsistent with the national transportation policy to accord carriers who use owner-operators privileges or dispensation not afforded carriers using their own vehicles and their own employees. Apparently and paradoxically, those who shift their financial risks from their own shoulders to owner-operators are being rewarded". . . . The owner-operator "is not in a good position to hold out for revenue certain to return his costs," and his "precarious" situation "has been known to contribute to violations of the hours-of-service regulations."

ately, in the case which would produ
the nation's biggest railroad in terms
route miles—the Great Northern P
cific & Burlington consolidation invol
ing GN, NP, Burlington and Spokan
Portland & Seattle. Hearings on t
proposal were completed last summe
final briefs are due Jan. 4, 1963.

In all probability, the merger p
which would produce the country's N
1 property in terms of revenues w
go to an examiner fairly early in '6
After a round of regional hearings, th
Pennsylvania-New York Central me
ger proceedings will move back
Washington for final sessions, schedule
to begin Feb. 11, 1963. Most observe
expect these sessions to wind up abou
March 1.

In addition to these seven cases, pr
posals could be filed in 1963 in thre
merger studies now under way—Illinoi
Central-Gulf, Mobile & Ohio; So
Line-Chicago Great Western; and th
SP-UP study of Rock Island.

Railroad optimism on merger i
buoyed by the pace of studies, sub
missions and hearings in '62—an
tempered by a realization that expedi
tious handling of the proposals coul
be snagged on a variety of obstacles

The Commission, for example, ha
given no indication of its position o
consolidation of the major eastern-road
cases pending. Further, the President's
inter-agency committee working on es-
tablishment of general criteria for mer-
gers has yet to publish its report. And
finally, it's regarded as a good bet that
new legislative efforts will be made to
slow the move to merge. The so-called
Kefauver bill was sidetracked in the
last Congress (though it had some meas-
ure of individual support in the Senate,
along with the enthusiastic backing of
the railway labor organizations). Mer-
ger-moratorium bills will doubtless be
introduced again—though it's consider-
ed unlikely they'll get far, in view of
the failure of the big drive in 1962.

Most observers agree that the rail-
roads have made a strong, logical case
for consolidations as a means of trim-
ming fat and adding muscle to the in-
dustry—as a way of bringing transpor-
tation resources closer into line with
the public need. In every instance, in-
dividual cases have been well thought
out, well prepared, well presented. Op-
position—except from labor organiza-
tions—has not been overly sharp. In
most cases, carriers have been able to
minimize the concern of intervening
shippers and communities. Even union
opposition has faded when the organi-
zations have been satisfied by propos d
protective conditions for employees who
may be displaced. As a result, oppo-
nents of consolidation have been left
without a case that has been able to
capture public and legislative support.

Ops Ask Rehearing In Work Rules Case

With the reaction of a halfback who suddenly realizes he's missed a signal, the operating brotherhoods last week reversed their field and decided not to appeal the work-rules case to the Supreme Court—at least, not yet.

So the ops—who declared Dec. 3 that they'd pass up a rehearing of the case in the Court of Appeals in order to get the issues before the Supreme Court "as expeditiously as possible"—decided to do just the opposite.

The immediate effect of the union action will be to delay, still further, settlement of the three-year-old dispute.

Carrier spokesmen weren't caught by surprise. J. E. Wolfe, chief railroad negotiator, called the ops' move "another maneuver leading to further delay."

BRT President-elect Charles Luna, however, insisted that "we're not trying to delay." The unions, he declared, are "trying to get the [court] record straight. . . . We'd go to the Supreme Court tomorrow if we had a clear record."

'Correction' requested

In a statement released Dec. 13, the operating unions said they filed a petition for rehearing in the Court of Appeals requesting "reconsideration and correction" of the Court's Nov. 28 position in the work rules dispute. They said in the course of preparing a petition for Supreme Court review that "a number of errors on the part of the Court of Appeals, which the unions seek to correct, were more appropriate for presentation to the Court of Appeals itself to afford that court an opportunity to consider whether, having these claimed errors brought specifically to its attention, it should revise its conclusion."

The operating unions based their bid for rehearing on several points in the record which they say need to be "corrected." Generally, their belief is that the decision went beyond the evidence presented.

In their petition for rehearing, the operating unions bluntly told the appeals court: "This court seems to make such startling findings of fact as that unreasonable rules cost the carriers $592,062,000 in wage costs during 1961, that the organizations waived the usual procedures of the Railway Labor Act in processing the Nov. 2, 1959 notice, that the carriers 'accepted' the report of the Presidential Railroad Commission but that the organizations 'rejected' it, that the organizations engaged in 'sterile discussion,' 'frustrated collective bargaining,' and that 'resort to collective bargaining 'failed' without fault of management.' "

One disputed matter involves the question of negotiation of the carriers' rule-change demands, on both the individual-carrier and national-handling levels. The court, in reviewing the case, held the opinion that while the unions participated in the proceedings their "refusal to conform" to results produced a "mere sterile discussion of differences." Mr. Luna (and presumably the other union leaders) disagrees. The organizations, he contends, set up subcommittees and offered counter-proposals. It was the carriers who refused to negotiate, he argues, not the unions.

A second point centers on the meaning of the agreement under which the Presidential Railroad Commission was set up. The Court accepted a section of the agreement which says the parties intend that PRC proceedings "including its mediatory efforts and its report shall be considered and accepted as in lieu of the mediation and emergency board procedures provided in Sections 5 and 10" of the Railway Labor Act. The organizations deny that this part of the PRC pact overrules another section which says nothing contained in the document and no "proceedings held pursuant to this agreement shall be construed as a waiver of any legal right or rights" of the parties. It's the brotherhoods' position—again, voiced by the BRT president-elect—that the waiver covered only the period in which the PRC was in existence.

The switch in brotherhood tactics adds another step to the possible sequence of events in the dispute:

- If the petition for rehearing is granted, there'll be a further airing of the case before the three-judge court. If the petition is rejected, the organizations will again be faced with the alternatives of petitioning the Supreme Court or abandoning legal maneuvers.
- If the unions lose again in the Appeals Court (either on their rehearing petition or on an actual rehearing itself), they'll likely take the case to the highest court in the land. If they don't, the carriers would then appear to be free to put the proposed rule-changes into effect. Any such implementation of carrier demands, however, would doubtless produce a strike call—and, probably, creation of an emergency board.

The carriers have been barred by a temporary restraining order from revising the rules. If the unions want the order extended, they have to act—either by going to the Supreme Court and requesting, at the same time, a stay of an Appeals Court mandate lifting the injunction; or by filing for a rehearing in the Appeals Court, in which case the injunction would ordinarily continue in effect until the petition is disposed of.

In any event, the railroads have emphasized that further legal maneuvering by the organizations will bring on a carrier petition asking an increase from $100,000 to $5 million in the amount of the bond under which the unions are held.

RRs Defer Decision On Higher Charges

After three days of intensive hearings at Chicago, Dec. 4-6, railroad traffic officers deferred, probably until February at the earliest, decision on 18 proposals for higher charges for accessorial services.

The proposals, advanced by the carriers as a means of obtaining additional freight revenue, were strongly—and, for all practical purposes, unanimously—opposed by shippers. Protestants included some of the country's outstanding industrial traffic managers, who came from such widely scattered points as Waltham, Mass., and San Francisco; Portland, Ore., and Atlanta, Ga. Exhibits and statements filed in the course of the hearings occupied some 240 linear feet of corridor space in Chicago's McCormick Place exhibition center, where the hearings were held.

Opposition was concentrated principally on proposals to increase stop-off and transit charges, to levy new or added fees for grain inspection and provision of grain doors, and to raise from 40,000 to 50,000 lb the minimum weight for grain shipments.

In both cases, shippers of foods, food products, grain and grain products led the opposition, but with a good many other industries also represented. Some of the grain shippers testified that an increase in line-haul rates would be "a lesser evil" than higher accessorial charges, "if the railroads have to have more revenue."

The hearings were conducted by the chairmen of the three territorial rate committees.

EXCLUSIVE INTERVIEW with J. E. WOLFE

What's Ahead for Labor Negotiations?

The National Railway Labor Conference comes into being Jan. 1, 1963. Its assignment: to take over the railroads' side of collective bargaining and continue the drive to achieve and maintain equality at the bargaining table. NRLC will inherit a large stack of unfinished business—topped by the work-rules dispute with the operating brotherhoods. The Conference's basic bargaining team will be a four-man group—one representative from each of the three regions, and a chairman. Head man will be James E. Wolfe—"Doc" Wolfe, as he's come to be known—a negotiator with years of experience in the complex, sensitive business of making management-labor agreements. Here, in an exclusive interview with Railway Age, Mr. Wolfe tells why the Conference was formed, how it will operate—and what it hopes to accomplish.

Q. Mr. Wolfe, why are railroads forming a national negotiating group?

A. Historically, railroads have been represented by a committee for each of the three regions. Labor relations in the industry have become more complicated over the years. The carriers streamlined their negotiating organization so they would have the nucleus of an organization that would at all times be ready to meet and dispose of their many perplexing problems. Railroads think this can best be handled by the National Railway Labor Conference.

Q. Haven't railroad unions had industry-wide top negotiators for a long while?

A. Yes. The non-operating organizations had their cooperative organization working very closely with the Railway Labor Executives' Association. The operating brotherhoods have also negotiated all matters of industry-wide interest on a national basis.

Q. H. E. Gilbert, president of the BLF&E, said recently that they had shown their ability to hold their own at the bargaining table very impressively. Was this a factor in forming the NRLC?

A. There isn't any question but what the railroad unions have operated successfully throughout the years. I think the representatives of the railroads accomplished about as much as could have been accomplished, considering the climate in which they worked. For example, about the time railroads were ready to move toward correcting the intolerable work rules situation we were faced with the difficulties of World War II. Then we had the Korean conflict. Both taxed the operating capacities of railroads to the utmost. During World War II and the Korean war, and thereafter, there was an acute labor shortage problem in the industry. Railroads had to keep operating. Labor problems had to be sidetracked for the national interest—and there were agreements that were probably unwise. All of these things delayed the carriers in making the move to eliminate featherbedding. Needless to say, realistic and efficient work rules are essential to maintaining a solvent industry. When the carriers began their effort toward self help, it was decided they could operate more efficiently if the negotiating organization was streamlined and that this could be best accomplished by creating the National Railway Labor Conference.

Q. Was there a specific point in time when consideration of a national conference began?

A. Yes. That was a part of our study prior to serving of the Section 6 notices on Nov. 2, 1959. As a result of our studies and the effective job done by the Presidential Railroad Commission, we came to the inevitable conclusion that railroads would be best protected by having a national bargaining organization. This isn't something that was not given the most profound consideration. It very definitely was. We are confident that future results will vindicate our judgment in this respect.

Q. Was there any problem in getting all the cooperating carriers to see the need for a national negotiating committee?

A. No. On the contrary. All, or substantially all, railroad executives were fully cognizant of the need for improving the negotiating organization. The delay was the result of our efforts to plan thoroughly the most efficient organization for constructive handling of the carriers' problems. It was a question of procedure rather than results that delayed its coming into operation.

Q. Some unions are claiming that the nine railroad chief executives who are the national conference's administrative committee are going to occupy a sort of Machiavellian role in future negotiations. As we understand their role, they are simply a board of directors or, technically, a final source of authority. Is that right?

A. The committee of nine chief executives is composed of enlightened, experienced railroad officers who are vested with administrative authority and responsibilities.

Q. But they will not serve as a final negotiating authority?

A. They will not participate in any negotiating activities. The NRLC will have authority to make agreements. Obviously, we will attach great importance to comments made by the administrative committee of chief executives of some of the larger railroads of the nation. That is true, I think, wherever such an organization may exist. We will also give careful consideration, as we have in the past, to suggestions and comments from railroad officers, regardless of rank, whether they are in or out of NRLC.

Q. Then a union statement that they never knew before who the final authority was is not correct in your view? And the NRLC should make more clear than ever where final authority for agreements lies?

A. Any statement that may have been made by representatives of the unions that they did not know or have knowledge as to the authority of the committee or committees that represented the railroads is a statement entirely contrary to fact. Railroad negotiating committees have always had power of attorney to make agreements.

Q. Do you think that a statement by Mr. Gilbert that formation of the national committee portends "years of warfare in our industry" has any substance?

A. It has no substance whatever. In that respect, however, I think I should emphasize that the railroad industry is determined to relieve itself of featherbedding. We do not intend to recede from that position. It is our objective. We will not be deterred from reaching that objective. Anyone who has different ideas must reconcile himself to the fact that we will not permit continuance of these destructive practices. We will pursue our program until it is effectively concluded.

Q. One union representative has described the NRLC as a publicity-bargaining-legislative body. Would you care to comment?

A. Well, this is not an agency of propaganda. On the other hand, the public is entitled to information as to our aims and our objectives. The public interest is paramount to the interest of the unions or the interest of the railroads. We would be negligent in our duty if we did not keep the people informed. We propose to keep them informed, not only about current labor difficulties but also as to difficulties that may arise in the future. In that respect, however, the labor unions have their publications—and certainly they have equalled and perhaps exceeded the carriers in their public relations activities.

Q. What matters will immediately confront the NRLC on January 1?

A. Our immediate problem is to dispose of the operating rules case which was started by our own studies in 1957. We cannot stand further delay. One of the inevitable by-products of this and future activities will be to stabilize employment in the industry, to improve and expand work opportunities for employees of the railroads and to improve our competitive position so that money will be available for modernization and for new and improved equipment.

Q. What other specific demands are on the books now?

A. We have a demand from the shop craft organizations. Those unions have asked for concerted handling. The demands are being handled by individual railroads in conformity with procedural requirements of the Railway Labor Act. At the proper time, probably soon after the first of the year, the National Railway Labor Conference will consider the matter and a decision will be reached as to the handling of the dispute on a national basis.

Q. Will the national group have specialists who will analyze particular problems and do research?

A. Yes. There are many technical problems involved in negotiating any demand. Our National Railway Labor Conference and the committees from the three regions will need the services of officers who by their training and their experience are qualified to help handle disputes.

Q. Will these specialists all be permanent staff?

A. No. Just as we've always done, we'll call in officers who are exceptionally well qualified in a particular field to assist in studies that are necessary. Some of them will be used as witnesses. That is a practice that has been followed for many years in the industry.

Q. What will be the makeup of the permanent staff?

A. Well, we are certain that we will have a bureau of economics and research. Eventually, we will have a law department and specialists in the diversified fields that go to make up the railroad industry. The organization, of necessity, will be expanded as time passes.

Q. Will the group have its headquarters in Chicago?

A. Headquarters will be in Chicago. That is our present plan and we have

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reason to believe that there will be space available at Chicago Union Station.

Q. How will the group be financed?

A. By proportional assessment of member railroads, in the same way railroads finance other cooperative activities.

Q. Do you have a figure on your budget?

A. No, not at this time. We are starting out in a very modest way, to avoid duplication of expenses to the greatest extent possible. We want to be as nearly certain as possible that selections of key personnel will be the right selections. We want an organization that will function successfully. That kind of organizing requires a considerable amount of time.

Q. Will the pattern of negotiations remain the same?

A. Yes, it will. And that's because of the procedural requirements of the Railway Labor Act.

Q. There will not be any changes, despite NRLC's taking over where formerly the regional committees acted?

A. That is correct.

Q. Are all railroads members of NRLC?

A. Practically all Class I line-haul railroads are now participating.

Q. How about the short lines?

A. Short-line railroads and terminal companies will be permitted to be represented by the National Railway Labor Conference. We expect that all, or practically all, railroads in those categories will be represented.

Q. Do you think NRLC will promote good labor relations in the railroad industry?

A. I certainly hope it will, in order to settle urgent matters of mutual interest. By mutual interest, I mean between the railroad industry and the railroad unions. There must be a true spirit of cooperation, there must be a recognition of the prerogatives of each and the interests of each for us to progress. It's my opinion that railroad unions—particularly the operating brotherhoods—in the past two or three decades have completely lost sight of this. The end result has been a loss of employment, of operating people represented by those unions, because the carriers have lost their competitive position with other agencies of transportation. Another handicap is that we have five operating unions. The BLE solicits the membership of both engineers and firemen. The BLF&E also solicits membership from both engineers and firemen. Those two unions are constant rivals insofar as solicitation of membership is concerned, with the employing carrier always in the middle. The Conductors represent trainmen and conductors. The BRT represents conductors, trainmen and yardmen. The Switchmen's Union of North America represents yardmen. Many disputes arise on the individual carriers where the general chairman of the bargaining agent will say "I know this dispute is not supported by our contract, but the rival union is handling a similar dispute. I must do likewise." If the rival union before the National Railroad Adjustment Board or elsewhere should secure a favorable verdict, then the bargaining agent is damaged insofar as his effort to solicit membership is concerned.

". . . Needless to say, realistic work rules are essential to maintaining a solvent industry. . ."

Q. Is there a solution to this?

A. Well, I think the Presidential Railroad Commission, after a most exhaustive study of the problem, arrived at the right conclusion. At one point, the PRC said "The existence of five separate operating labor organizations has been a source of a number of serious problems. It has complicated negotiations materially. It has delayed the systematic review of wage differentials and relationships and it has diluted responsibilities and made more difficult the adoption of forward-looking policies. The time has come to create by merger one engine-service labor organization and one train-service organization. In the transition period which the commission envisages in the years immediately ahead, a major contribution can be made to the operating employees, to the industry and to the community by the establishment of a single merged engine-service and a single merged train-service labor organization." If railroads were in a position where they were required to negotiate with only one union representing all engine-service employees and one union representing all train-service employees, most of our difficulties would disappear overnight. The tremendous backlog of unadjusted minor disputes would be reduced, in my opinion, by 75%—because there would no longer be a reason for one union to handle disputes that are obviously without merit simply to protect its membership position against a rival union.

Q. Do you think there's any reorganization needed for the non-ops?

A. There is a serious overlapping of collective bargaining, representation and classification-of-work rules, and overlapping in other areas where the non-operating unions are concerned which eventually must be corrected.

Q. Would you welcome formation of a single union representing the operating crafts and a single union representing the non-operating crafts?

A. That could conceivably be the answer. Certainly it is worthy of careful consideration by the unions, by the railroads and, more importantly, by the public.

Q. Your national conference—will it establish a mechanism whereby informal discussions can be used for heading off potential problems before they get to the bargaining stage?

A. We have always welcomed constructive suggestions from representatives of railroad employees. There is no reason why we should deviate from that policy.

Q. About the Railway Labor Act itself: Do you have any ideas for RLA revision—for better handling of today's problems?

A. I think the Railway Labor Act is not functioning as it was intended to function when the sponsors of the Act explained it to Congress. I have particular reference to the recommendations of emergency boards. When that Act was under consideration by Congress, representatives of the unions were emphatic in stating that resort to the emergency-board procedure would be infrequent. They argued that the fact that the President might at his discretion create such a board would act as a very compelling force on the designated representatives of disputing parties. One of the principal spokesmen

for the unions, Donald R. Richberg, as I recall, said that it was unthinkable that a union would disregard recommendations of an emergency board. But we find that unions rarely ever accept the recommendations of an emergency board. It has reached the point where those recommendations become the floor for additional demands. Railroads thus find themselves in this position: The public generally considers that, so far as railroads are concerned, the recommendation of an emergency board is almost tantamount to arbitration. It is nothing but a scrap of paper to the unions. Such a condition just cannot continue to exist. When the carriers were considering the last emergency-board recommendation in the non-operating wage dispute, they were told by the Secretary of Labor that railroads could not refuse to accept these recommendations. We did accept them, even though we felt very strongly that the guide lines set by this administration to combat inflation had been exceeded. Many railroads were not financially able to assume the burden of the recommended wage increases. Nevertheless, we did accept those recommendations.

The operating unions refused to accept the recommendations of the Presidential Railroad Commission, arrived at after the most comprehensive study in the history of railroad operations. The operating brotherhoods asked for this commission. They agreed, in the letter of agreement of Oct. 17, 1960, that the Presidential Railroad Commission would be accepted in lieu of mediation and in lieu of an emergency board.

Q. How can the industry get away from this sort of double standard?

A. I sincerely hope the operating brotherhoods will reconsider the impossible position they have taken and will

". . . Almost complete destruction of the constructive effect of emergency-board procedure has taken place. . ."

". . . The public is entitled to information as to our aims. The public interest is paramount. . ."

negotiate an agreement within the framework of the Presidential Railroad Commission report.

This will, to a great extent, restore the integrity and the purpose of the emergency-board procedures of the Railway Labor Act. I simply ask this: that they do what they said they were going to do when they urged the Congress to make the emergency-board procedure a part of the Railway Labor Act. A spokesman for the unions, when that proposed legislation was before a Congressional committee, made the statement that, if the emergency-board procedure did not work satisfactorily in the interests of the public, something more drastic would have to be adopted. The only thing he could have been talking about was compulsory arbitration, which may be accomplished by making emergency-board recommendations, as a matter of law, final and binding upon both parties.

Q. Isn't that the position recently stated by the AAR?

A. To this extent. We take the position that with the deterioration of the effectiveness of the Railway Labor Act, almost complete destruction of the constructive effect of emergency-board procedure has taken place. It demands that something very definite be done to correct it. We believe that finality of emergency-board recommendations will do it. Now, of course, that would require some adjustment in other parts of the Act, but they could be designed to fit in with the finality requirements.

Q. Is NRLC going to handle job-freeze cases still pending?

A. Most assuredly the job-freeze demands will be met head-on and disposed of. The emergency boards that have heard and made recommendations on the job-freeze issue have, without exception, rejected such demands.

Q. Mr. Wolfe, some railroad men say that some agreements negotiated since World War II have resulted in chaos, that they were bad agreements, that they have become painful in view of technological developments. Would you care to comment?

A. In assessing the value of any agreement you must consider the climate that existed when it was negotiated. I concede that some agreements were made that were inadvantageous to the industry. They should not have been made. This is particularly true of the agreements which required use of firemen on diesel locomotives. On the Burlington, for example, diesels were used in high-speed passenger service without a fireman. They operated a good many hundreds of thousands of miles and there was not one accident. As I recall, the on-time performance of those trains was phenomenal, almost unbelievable. But because of the threat of strike, the Burlington was compelled to use firemen on those diesels. Those firemen contribute absolutely nothing of value to the railroad's operations. Other agreements were made which I am sure the carriers would not have agreed to except for outside pressure during the war or the Korean action, or because of the necessity for avoiding cessation of operations at almost any cost. A direct answer to your question, without all of those qualifications, would be this: Yes, the railroad industry entered into agreements that it should not have made and should not have been required to make—even though some roads could then afford such agreements.

Q. Can bad contracts be tolerated?

A. We cannot afford the luxury of unnecessary employees, of payments for work not needed nor performed, of restrictions as to operational efforts that are not imposed on any other industry. We must relieve ourselves of those burdens. We firmly intend to do just that. We are not going to make any more such agreements. Railroads must have freedom to take advantage of technology as it can improve their competitive position—for sheer survival. The NRLC will be charged in the time ahead with the responsibility of seeing to it that railroads have the most efficient, productive and equitable agreements possible, so that railroads can regain the share of the transportation business to which their inherent operating advantages entitle them. When that time comes, a new era of benefit to both carriers and their employees will begin.

CONTINUED

AFTER 36 YEARS—

Railway Labor Act: Time for a Change?

Are railroads being forced to operate in a 'Thunderbird' era with a 'Model T' labor law? The Railway Labor Act was regarded as a piece of model legislation when it was passed. Early criticism died out—but today both management and labor (for differing reasons) see need for a new law. Here's why.

The Railway Labor Act was approved by the Congress May 20, 1926. For 36 years it has remained substantially unchanged, so far as provisions for handling major disputes are concerned. Should it now be amended, revised or scrapped in favor of a new law? Many railroad and union spokesmen think so—for different reasons. They agree that the Act has not been the "model" legislation it was supposed to be. Where they disagree—sharply—involves the "why" and the "how" of improving the Act to serve more effectively the best interests of railroads, their employees and the nation.

In the beginning, the law was criticized as a "surrender" of important points by the rail brotherhoods. Later, realization dawned that the Act—as it was functioning in the bargaining process—had come to be an ineffective, even unworkable, piece of legislation.

Congress intended that the Act should "provide for the prompt disposition of disputes between carriers and their employees." It hasn't worked that way. More-or-less ordinary wage or rules cases drag on for a year or more. The carriers began their drive to modernize operating crafts' work rules more than three years ago—and the dispute is still far from over.

In the exclusive Railway Age interview on the preceding pages, James E. Wolfe, chairman of the National Railway Labor Conference, outlines the basic carrier position on revising the Act to make it more workable. Other railroad spokesmen —most recently John M. Budd, president of the Great Northern, and Clair M. Roddewig, president of the Association of Western Railways—have made similar, strongly worded comments. A decade ago, Daniel P. Loomis, now president of the AAR but then chairman of the AWR, proposed significant changes in the law.

Union officers, too, have indicated dissatisfaction with the Act—though they have not proposed specific remedies, as most carrier spokesmen have.

Many Congressmen have noted what they regard as inadequacies in the law. Over the years, many amendments have been proposed. Few made much progress. But Congressional unwillingness to act may be fading; Congressional patience may be wearing thin. And the spark to blow the present Railway Labor Act sky-high could be a general strike call by the operating unions if they are forced to accept defeat in the work-rules dispute.

A strike (even the threat of one) could easily bring the change in the Act that the carriers have been talking about for a decade—a change which would make emergency-board recommendations binding on both management and labor.

Management is ready for such a revision; the unions aren't and, from all indications, never will be.

Management's long-standing contention is that the carriers have, in fact, accepted emergency-board reports as though they were binding—while unions have used the recommendations merely as a floor from which to bargain upward and wring greater concessions from management negotiators.

As long ago as 1952, Mr. Loomis charged that the operating unions then and for 10 years previous had rejected emergency board reports "almost as a matter of course."

Even more sharply etched are major failures of the Act in recent disputes.

Carriers and brotherhoods went outside the Act in agreeing on handling of the work-rules case by a special Presidential commission—which devoted 13 months to its study and came up with a report which the unions refused to accept.

The Order of Railroad Telegraphers' job-freeze demands served on Chicago & North Western went through normal Railway Labor Act channels—and resulted in a month-long strike which wasn't ended until company and union agreed to creation of a special arbitration panel to resolve issues they couldn't settle even under the prodding of the Secretary of Labor.

What's gone wrong with the Act? Answers aren't lacking—only solutions.

Purists mourn the passing of hard-nosed bargaining and deplore the tendency to rely on outsider-inspired (sometimes outsider-imposed) settlements. Labor disputes, they insist, should be thrashed out in across-the-table head-knocking sessions.

Realists—eyeing history, the vital public-welfare role played by railroads and the inability of government to keep hands-off—are just as convinced that the public will have to have a voice in negotiations, as it has in the past.

But how?

Grand Chief Roy E. Davidson of the BLE, most willing critic of the Act among rail labor leaders, calls government intervention a "two-edged sword." Labor, he contends, "seems to be getting cut more and more often."

He admits intervention has "helped in a number of instances"—years ago. But it has also "operated against good labor relations many,

many times. At present it is paralyzing the settlement of disputes."

As Mr. Davidson sees it, the time "is certainly ripe for restoring to labor the advantages which were clearly intended under the Railway Labor Act but which have been vitiated by carrier circumventions, administrative incompetence and inertia and judicial intrusion into areas from which the courts were supposedly barred by the Act and by the Norris-LaGuardia Act."

Would the unions accept a form of compulsory arbitration (compulsory in the sense that arbitration itself would be mandatory)?

Apparently not. Mr. Davidson declares that "labor is opposed to compulsory arbitration because it destroys the right to strike, and the right to strike is basic to successful collective bargaining . . . Fundamentals cannot be arbitrated. Life or death is not a subject for arbitration."

BLE's grand chief regards "free collective bargaining [as] the best safeguard of the public interest. The free give-and-take process is the way to arrive at settlements which will be satisfactory to both parties . . . The public interest requires that there be guidelines for collective bargaining and for new settlements but the guidelines must never be permitted to become a noose that would strangle freedom. Imposed solutions to disputes are not satisfactory to anyone except those who dictate them."

This contrasts sharply with the stand taken by AWR President Roddewig. With both the work-rules case and the ORT-C&NW dispute as cases in point, he declares himself "satisfied that [western roads] would welcome legislation that will make the findings of Presidential emergency boards binding on both unions and railroads."

This doesn't differ basically from the position adopted by Mr. Loomis 10 years ago. At that time, both management and labor held reservations regarding compulsion. But, said the present AAR chief, those objections might be overcome by limiting the period in which an award would be effective. And, during the time the decision was enforceable, a protesting party might find the award not so objectionable in practice as in theory.

The most recent—and, perhaps, the sharpest—criticism of the Railway Labor Act has come from a railroad president: Great Northern's John M. Budd.

Statutory procedures for handling labor matters in the industry, he declares, "have become a ritual."

The emergency-board procedure, he contends, rests on a philosophy that "public opinion will compel the disputants to resolve their differences within the framework of the recommendations . . . But, obviously, public opinion must be formed and articulated to have any effect. Since the President appoints the members of an emergency board, it would seem that the effectiveness of this procedure inevitably would depend on the Chief Executive's support of the findings of his own board and guiding public opinion to its enforcement.

RRs accept—unions reject

"Our experience has frequently been to the contrary. Inevitably, the railroads have accepted the recommendations of Presidential boards no matter how unpalatable they might be. The unions have habitually rejected such recommendations and have undertaken to use these proposals as a base from which to demand still greater concessions.

"Unfortunately, the Presidents and their Labor Departments have permitted this to occur . . . and have even given it their blessing to some extent. In fact, President Roosevelt repudiated his own boards in some of the first disputes which were handled under our present legislation."

Legislative procedures for labor relations in the railroad industry, Mr. Budd concludes, "have been historic failures and have brought unrest and chaos . . . [but] the same procedures nevertheless can be effective if their underlying purposes are recognized and asserted. It is important that the Administration support its fact-finding boards and make the present Railway Labor Act work the way it's supposed to. If this is not done—the law should be either changed or repealed."

To some, the failure of Presidents to back up their emergency boards became painfully obvious this year—and in a way that cast doubt on management's chances of ever getting an Administration's firm, public support in a labor dispute.

The President, they recall, has never endorsed the recommendations of the prestige-laden Presidential Railroad Commission. Further, there was no public pressure put on the ORT by the White House in the wake of emergency-board reports recommending strongly against the union's demands in the C&NW dispute. In contrast, companies in the aerospace industry were told, rather firmly, that they should accept the findings of a special board which generally upheld the union position in a recent dispute.

Thus a combination of circumstances—headed by union refusal to accept emergency-board reports and governmental reluctance to speak out in support of the fact-finders—has solidified management opinion and turned it again toward thoughts of adding muscle (through new legislation) to the emergency-board provisions of the Act.

One observer put it this way: "Look at a 1962 Thunderbird and one of Henry Ford's black 1926 Model T's. About the only thing the same is the nameplate. Ford made them both. But with the Railway Labor Act as it reads today, railroads are trying to operate in a T-bird era with Model T law. On the major issues, the unions have made the law operate all in their favor. Good law should operate in nobody's favor all the time—only the public's. Sure the Act should be brought up to date—before it ruins both the railroads and the organizations."

After 36 years, more and more railroad officers are regarding the Railway Labor Act as out of tune with the times, honeycombed with anachronisms. But, the realities of politics being what they are, stiffening of labor legislation is seldom possible on management's initiative alone. The supreme irony would be a toughening of the law touched off by the action of the very unions which it has benefitted. This could happen, before the work-rules case is settled. It could happen in 1963.

B&O Cuts Rates on Coal in Trainloads

The Baltimore & Ohio served notice last week that it intends to stay in the coal-hauling business—in a big way. B&O announced rate reductions ranging from 70 to 85 cents a ton on bituminous coal moving in solid trainloads from West Virginia and Pennsylvania coalfields to east coast markets.

Barring suspension by the ICC, the reductions will become effective next April 1, when present 12-month coal-shipment contracts expire.

B&O President Jervis Langdon, Jr., said the 85-cent rate reduction will apply to shipments of 9,000 tons moved in trains of 120 to 130 cars.

The 70-cent reduction applies to 4,500-ton shipments moved in trains of 60 to 65 cars.

B&O's announcement said the new rates "go beyond the proposed reduction of certain other eastern railroads in that they would apply from all B&O mines whether large, medium-sized or small." (Four carriers—New York Central, Pittsburgh & Lake Erie, Pennsylvania and Pittsburg & Shawmut—last month announced rate reductions amounting to 85 cents a ton on coal moving in quantities of at least 8,800 tons, in one train loaded within a 24-hour period at one of a number of mines in four originating districts. Earlier, Norfolk & Western slashed rates by 57 cents a ton, with somewhat more liberal provisions for shippers.)

Mr. Langdon said B&O made 100 test runs to determine operating costs before settling on the new rates. These runs, he said, indicated that B&O trains can deliver their coal to east coast plants and return the empty cars to mineheads within seven days—compared with present turnaround time of up to 25 days or more.

Trainload shipments consigned to individual receivers will be assembled at any one of several B&O concentration points in the coal mining areas. The new rates apply only if loading is completed at the mine within 24 hours and unloaded after arrival at destination in 24 hours.

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Cushioning Device Acquired by ACF

An hydraulic cushioning device, developed by Bendix for application to sliding sills used on freight cars to give lading protection, has been acquired by ACF Industries. Involved are Bendix Aerospace Division's research and test data, tooling, inventory, and patent rights, according to W. T. Taylor, ACF chairman.

Mr. Taylor said the newly acquired unit, called the Freight-Saver, will be offered to railroad and other carbuilders through the American Car and Foundry Division which will also use the device in cushion-underframe cars which it builds. Freight-Savers will be manufactured by ACF's W-K-M Division in sizes suitable for application to sliding sills on various types of cars. Since its introduction two years ago the device has been used on a number of types of cars. The hydraulic piston in the device is recentered by compression and expansion of an inert gas rather than by the mechanical springs used in some hydraulic cushioning units.

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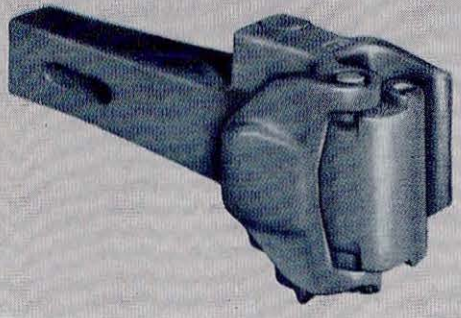

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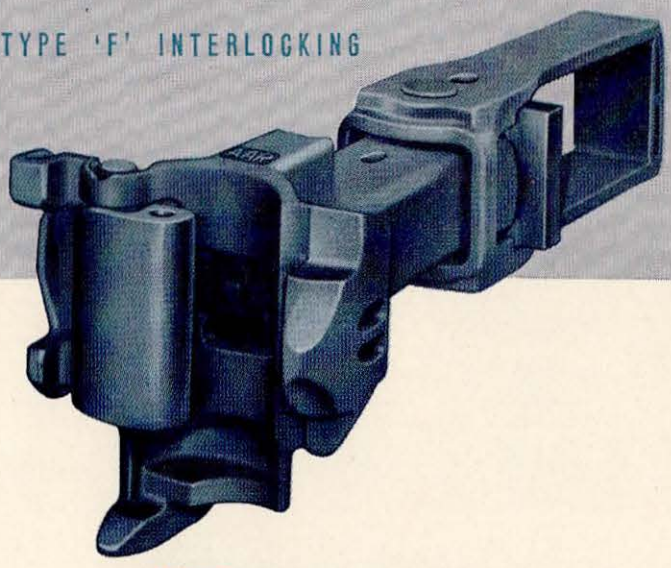

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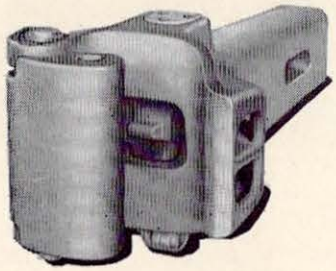

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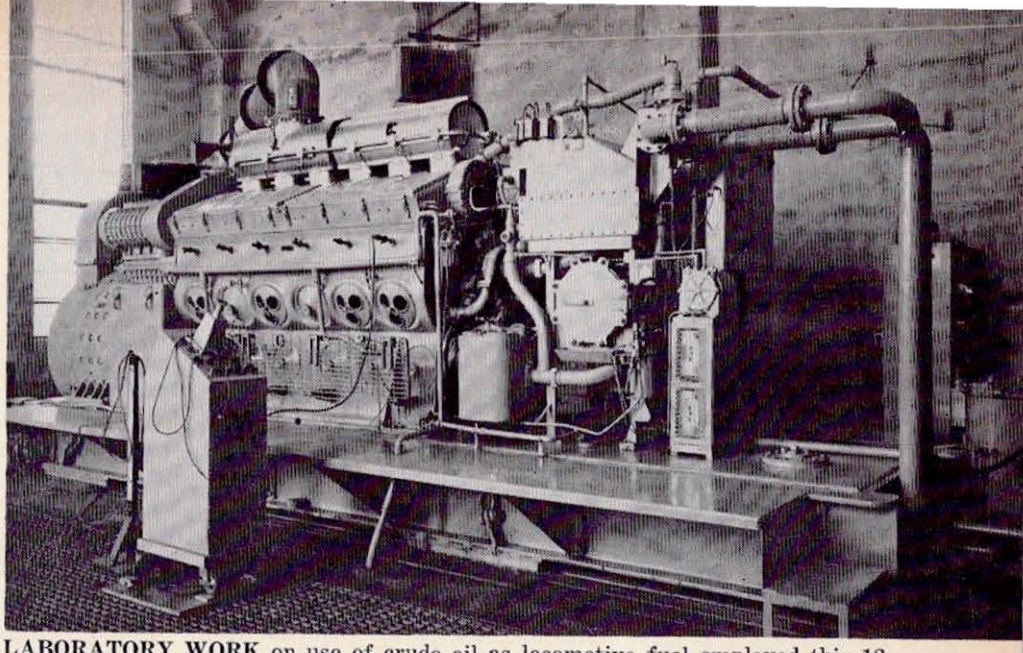


LABORATORY WORK on use of crude oil as locomotive fuel employed this 12-cylinder GM Model 567C diesel engine. Encouraging results led to decision to try crude oil in road tests on 40 Canadian Pacific and Canadian National locomotives.

The Canadian National and Canadian Pacific are trying to cut fuel costs by using crude oil in diesel locomotives. Forty of the roads' locomotives are being used in the cost-cutting experiment. The test program, which follows work at the laboratories of Canada's National Research Council in Ottawa, involves use of crude oils from western Canada.

Potential annual savings for the Canadian National could be $1 million or more, CN President Donald Gordon has told a Canadian legislative committee. He said the joint research program, with the objective of discontinuing the use of "more costly" conventional diesel fuels, was showing "encouraging progress."

Mr. Gordon told the committee that the CN objective was to switch fuels with no major modifications to its locomotives.

There has been much experimentation in the U.S. and Canada on the burning of various fuels other than standard distillates in diesel locomotives. Residuals, blends, and various cuts of the refinery process have been burned with varying success. Each investigation has been directed toward utilizing a fuel readily available in the area in which the railroad involved was operating. Important lessons learned from this work have been that experimental results obtained with any one fuel are characteristic only of that fuel and that each new fuel has its own characteristics which have to be evaluated with individual testing.

The purpose of seeking to use fuels other than distillates is largely to cut costs. Diesel fuel costs now represent about half the total cost of operating a locomotive in heavy freight service. A fractional saving in fuel expense could produce a substantial saving in overall cost, if the saving is not offset by increased maintenance costs.

Canadian crudes are available to the CN and CP for about 3.5 cents per Imperial gallon less than standard No. 2 diesel fuel (an Imperial gallon is the equivalent of 1.2 U.S. gallons).

It has been assumed crude oil would present more problems in an engine employing the two-stroke cycle than it would in a four-cycle engine. It was decided, therefore, to conduct the laboratory investigation with a General Motors V-type, Model 567C engine.

Laboratory tests were carried out on three types of Canadian crudes. In drawing up the laboratory test schedule for the engine, it was assumed that two running conditions of the diesel engine are extreme, full load and idle, and that intermediate loads would be less critical. Because locomotive diesel engines operate for many hours at idle, long periods of idling were included in the test schedule. Allowance was made for frequent cycling of speed and load.

Same HP as standard fuel

The tests showed that use of selected crude oils as fuels in diesel locomotive engines is possible and practicable. In comparison with standard diesel fuel, the same rated horse-power with about 2½% higher specific fuel consumption has been obtained.

Accumulation of deposits and the engine wear under laboratory conditions were moderately greater than witb standard fuel but did not give cause for concern. The effect of higher vapor pressure of crude oils, lubricating-oil dilution, fuel filtration and corrosion were overcome sucessfully.

In view of the results obtained in the laboratory with the first crude oils, it was decided to carry out field trials on engines in locomotives operating in normal service. At first, crude oil was used in switchers; subsequently, the tests were extended to road locomotives. The field tests, carried out concurrently with the laboratory tests, have been so arranged that the field and laboratory tests complemented one another.

By the end of June 1962, the 26 road locomotives then involved in the tests had operated approximately 700,000 miles, burning over 1 million gallons of crude oil.

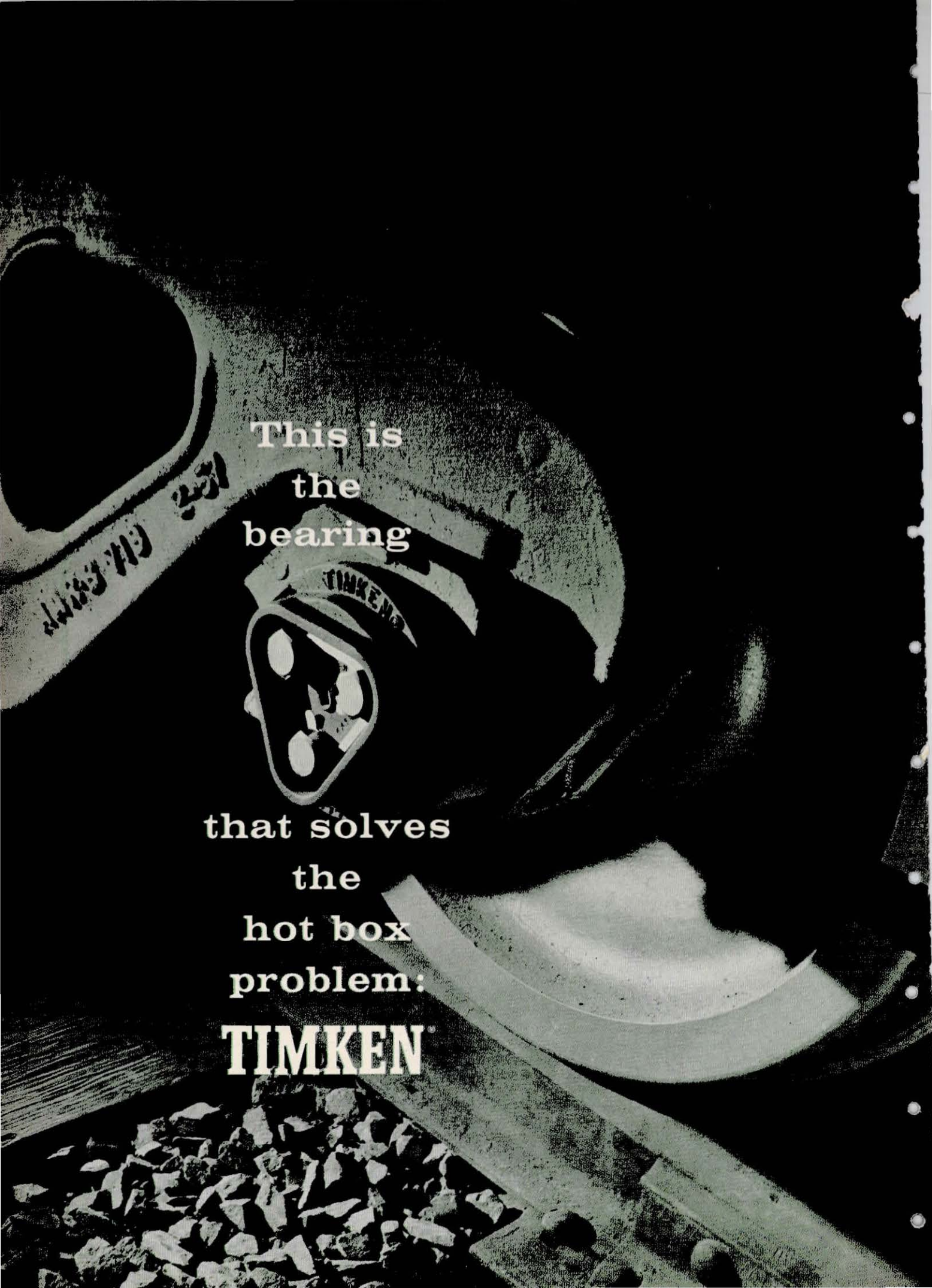
One of the first discoveries made during the road test was the more frequent changes which had to be made of the filter elements.

Certain classes of road locomotives have shown a tendency to "soup" or form sludge when allowed to idle for long periods. This condition, previously experienced with certain engines burning standard No. 2 fuel, was usually attributed to low cooling-water temperature in cold weather.

The CN has recently been operating 17 GM road units and three GM switchers. The CP is testing crude oil in a group of 20 GP-9's.

At a recent meeting of the Railroad Division of the American Society of Mechanical Engineers, it was reported that, while the CN has successfully overcome injection and fuel filtration problems encountered in its road testing, lubricating oil deterioration and wear of injectors, rings, pistons, and liners have not been overcome on locomotives in road service. No such difficulties are being experienced with the switchers.

CP reports that its locomotives have operated with no difficulties except filter plugging. Unusual wear and lubricating oil deterioration have not been problems, even though the units operate over heavier grades and at higher altitudes than those on the CN. Individual CP units have not made mileages as high as those of the CN, which also may be a factor in the lower wear experienced.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RAILROADING AFTER HOURS WITH JIM LYNE

TRANSPORTATION STATISTICS HANDBOOK—One of the most useful and informative collections of transportation statistics I've ever seen has just been issued by the Competitive Transportation Division, AAR, in a 70-page mimeographed statement. It shows, among other things, traffic and revenues of each of the various types of transportation over a period of the past dozen years or so—and the extent of government expenditures on each, and the taxes paid.

One of the most significant tabulations, in my opinion, is that which shows federal outlays for construction of fixed transportation facilities for other forms of transportation; and expenditures of private funds for the same purpose by the railroads. From 1947 to 1961, railroad expenditures for this purpose declined 7%, while federal outlays for airports went up 2,337%; for airways 557%; for highways 852%; for waterways 628%.

How can railroads hope to keep technologically up-to-date, compared with rival transportation, when the sky's the limit on tax-financed expenditures for other agencies—while the railroads have a tough time scrounging up the money needed just to keep their plant intact? This is not just the $64,000 transportation question—it is also the summary question that embraces all the others.

The central transportation problem is the achievement of equitable and economic division of capital funds among the several modes. There'll be no end to chaos in transportation until this problem is solved correctly.

WHO PAYS FOR BARGE WRECKS?—I see where the government, so far, has incurred expense up to, perhaps, $2,000,000 for salvaging liquid chlorine from a barge wreck near Natchez, Miss., which occurred about a year and a half ago. The government is wondering whom, if anybody, it can collect from. If the stuff had been moving by rail, no such questions would have arisen.

HOW GET EQUALITY OF REGULATION?—A government traffic officer questions my (rather frequent) assertion that it is impossible to regulate private transportation. He believes the way to get the situation under control is to limit such carriers to hauling their own goods—no "trip leases" to for-hire carriers for back hauls; and no subterfuges about the ownership of the commodities hauled.

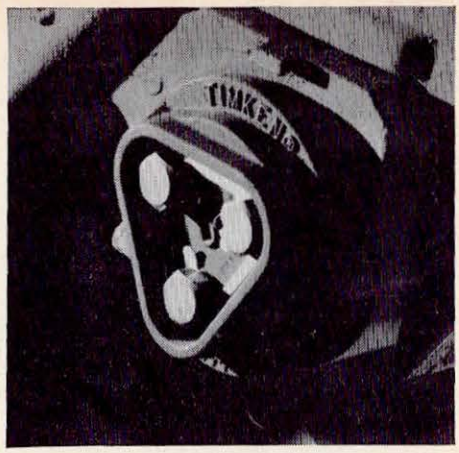
With private carriers thus limited and all for-hire carriers strictly regulated, he believes we'd have a sounder transportation system than we'd be likely to get under reduced regulation of the for-hire carriers, including railroads.

When I see a list of the private carriers who'll agree not to lobby for retention of their privilege to exercise their ingenuity in getting gas money for back-hauls—maybe I'll change my opinion that the only practical way to get equality of regulation is to deregulate.

LOCATING SALES OFFICES—An observant railroad officer tells me that a district sales office of one railroad is in a yard office, while another one (of another railroad) is housed in an enginehouse. Sounds strange, but what's wrong with it? Fellows so located will know the details of their service. As far as I'm concerned, such an arrangement is not nearly as odd as having a salesman on the job who's never seen the railroad he's working for.

CAR REPAIRS AND LOADS HANDLED—I kicked up quite a discussion by passing along here (RA, Aug. 6, p. 15) the thought of a widely experienced executive to the effect that an open-top car needed to be practically rebuilt after handling some 200 loads. This assumption, if factual, would raise questions as to the savings to be effected from more intensive utilization of cars (e.g., in so-called "integral trains").

Speaking in New York on Dec. 4, Southern VP Bob Hamilton reported that one group of cars hauling utility fuel had made 180 trips a year for three years (540 loads) without body repairs—and he expected them to run a lot longer than that without extensive expenditures. In "regular service" (25 loads per year), he estimated they would run about 14 years. This would indicate a considerable time factor in car repair costs. Maybe the care taken in loading and unloading the cars is also an important cost element.



SOLVES HOT BOX PROBLEM

On the average, Timken® tapered roller bearings roll over one-hundred million car-miles between setouts due to overheating.

This excellent service record is made possible by two specific advantages of Timken "AP" Heavy Duty bearings. First: the tapered design takes all the loads . . . from all directions including thrust. Second: Timken bearings are precision-made from fine nickel-rich steel to assure the uniform high quality needed in rugged railroad service.

Timken "AP" bearings also reduce terminal bearing inspection time drastically to help speed shipments and reduce operating and maintenance costs. They're one of the best investments railroads can make . . . 111 railroads and other car owners have already switched to "Roller Freight" and Timken bearings. The Timken Roller Bearing Company, Canton 6, Ohio.

QUALITY TURNS ON HEAVY DUTY TIMKEN®
TAPERED ROLLER BEARINGS

Frisco efficiently combines pressure grouting with welded rail installations

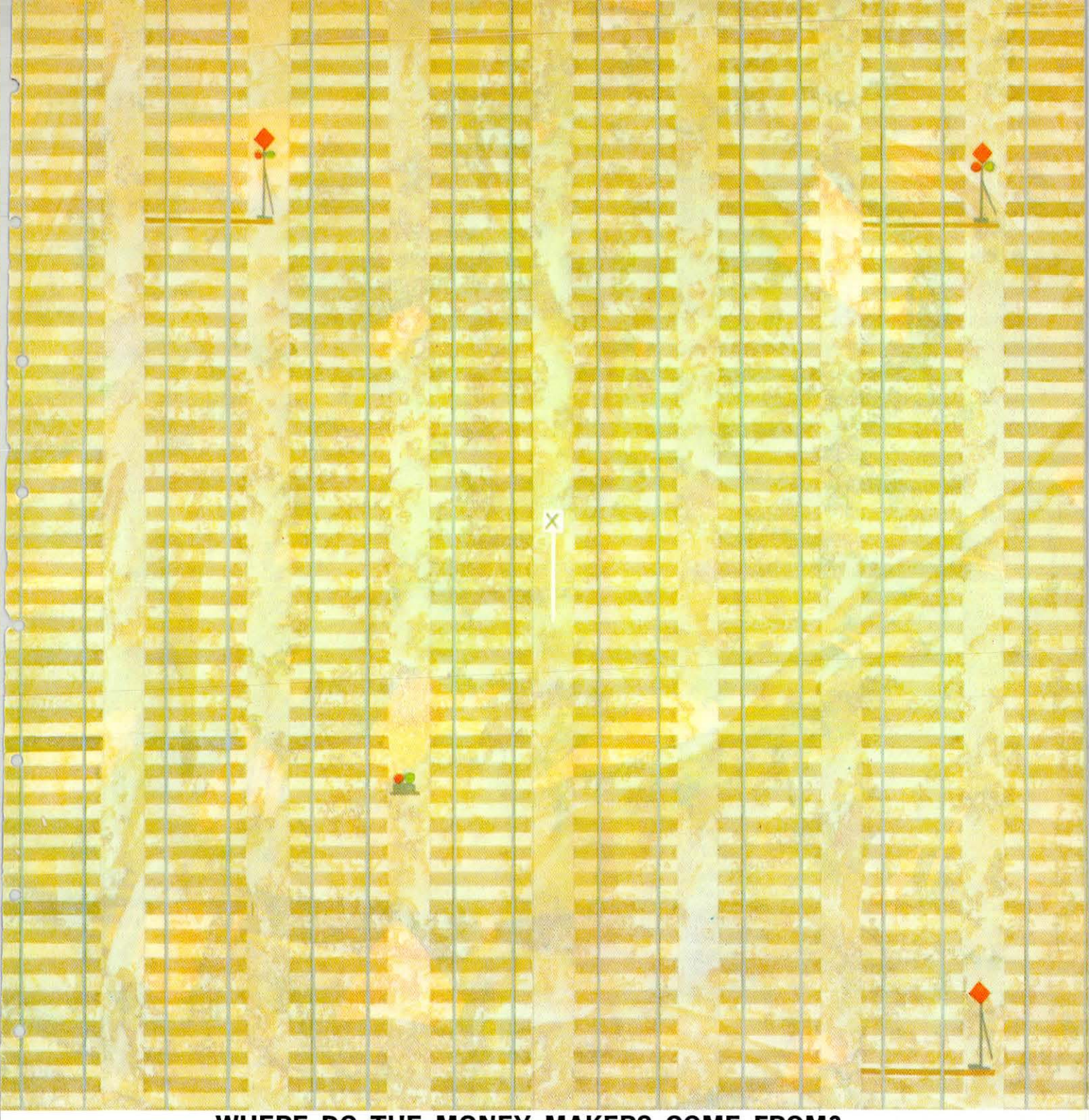
Frisco cures roadway trouble spots with ***low-cost pressure grouting***

The Frisco Railway modernization program emphasizes quality roadway. To solve stabilization problems, they turned to grouting with portland cement after other methods proved too expensive. Since 1950, the road has pressure grouted more than 37 accumulated miles of unstable roadbed. Benefits from the grouting are estimated to return 200 per cent on the investment!

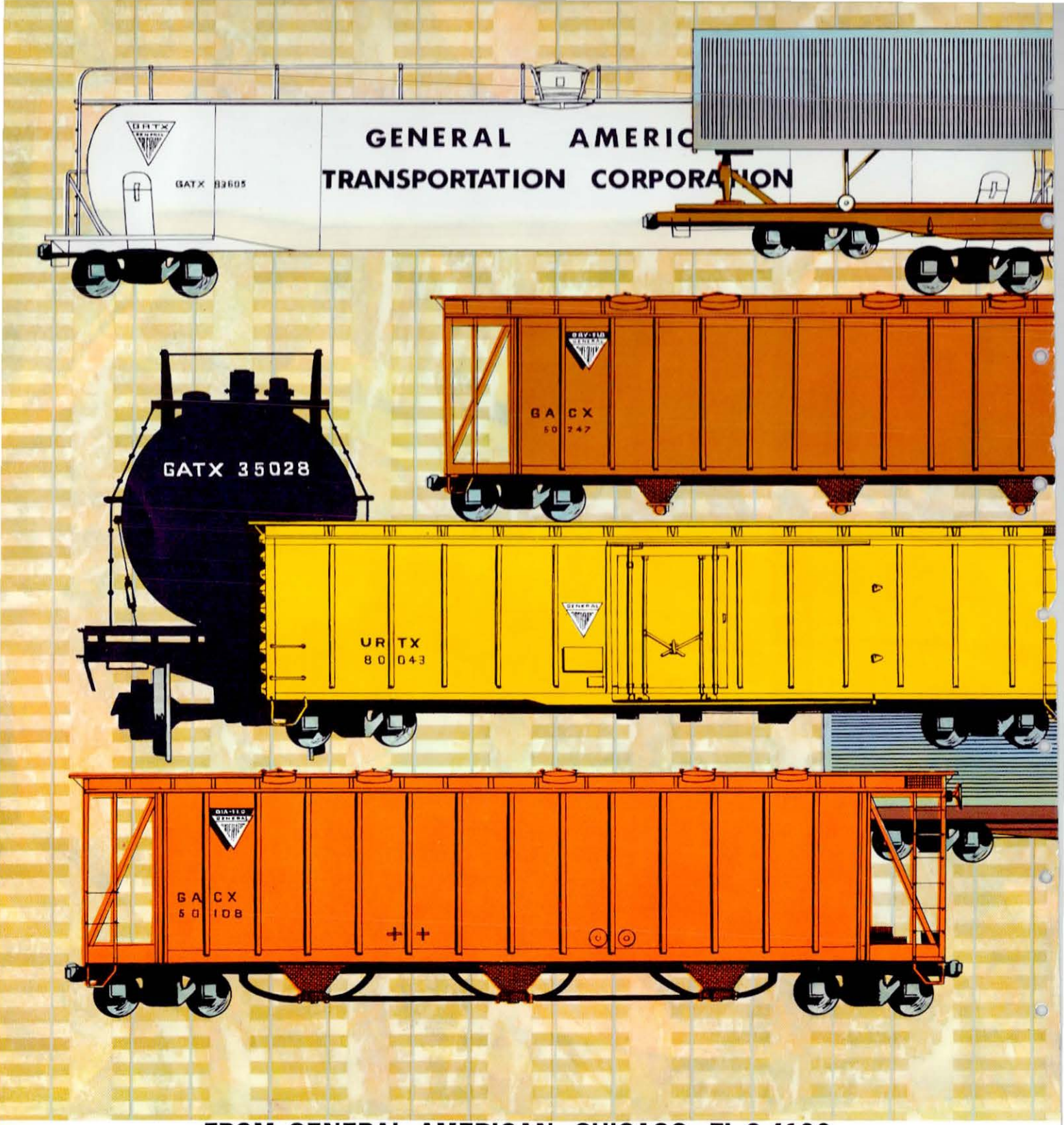
More and more railroads are finding that grouting programs pay off—especially with today's trend to heavier loads and faster traffic. Former trouble spots need little or no maintenance. Schedules are more easily maintained in all kinds of weather. Grouting is one of the many ways railroads use portland cement and concrete to reduce maintenance costs. Write for free literature, *"Stabilizing Railroad Track by Pressure Grouting."* (U.S. and Canada only.)

PORTLAND CEMENT ASSOCIATION Dept. 12C-26, 33 West Grand Ave., Chicago 10, Ill.

A national organization to improve and extend the uses of concrete



WHERE DO THE MONEY MAKERS COME FROM?



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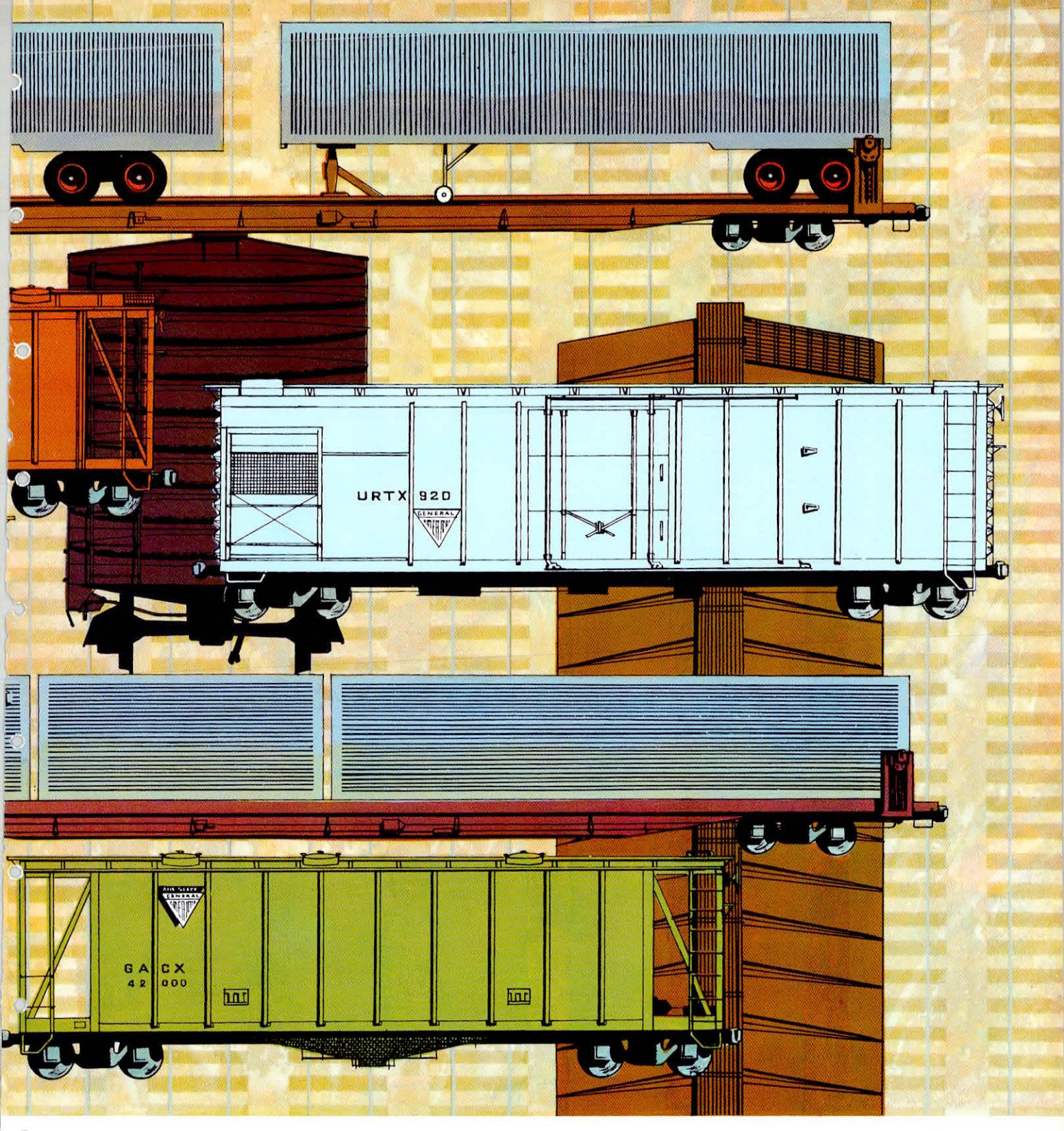
GENERAL AMERICAN IS READY, WILLING, ABLE AND DEVOTED TO KEEPING AMERICA'S FREIGHT TRAFFIC WHERE IT BELONGS. ON THE RAILS. TO THIS END, WE HAVE DEVELOPED UNIQUE PLANNING AND BUILDING FACILITIES. WE DESIGN NEW KINDS OF FREIGHT CARS. WE BUILD ALL KINDS OF FREIGHT CARS. **AIRSLIDE® CARS** DESIGNED SPECIFICALLY FOR BULK SHIPMENT OF FLOUR, STARCH, SUGAR, CHEMICALS AND OTHER LADINGS THAT TEND TO BRIDGE AND PACK. THE AIRSLIDE® CAR UNLOADS FREELY AND EASILY INTO ANY CONVEYING SYSTEM. **DRY-FLO CHEM® CARS** THE IDEAL CAR FOR SHIPPING PELLETIZED PLASTICS AND OTHER GRANULAR PRODUCTS IN BULK. THE DRY-FLO CHEM® CAR UNLOADS INTO ANY PNEUMATIC CONVEYING SYSTEM. **TANK CARS** WE DESIGN AND BUILD OVER 200 DIFFERENT TYPES OF TANK CARS. THEY RANGE FROM GENERAL SERVICE CARS TO SPECIALLY DESIGNED CARRIERS FOR THE MOST HARD-TO-HANDLE LIQUIDS. **MECHANICAL REFRIG-**



ERATOR CARS FRESH MEAT ARRIVES IN FULL BLOOM, AT TEMPERATURE JUST RIGHT FOR SLICING. INSULATION SO EFFICIENT, ONLY A SMALL PROPANE COOLING UNIT IS REQUIRED. ACCURATE TEMPERATURE CONTROL. **G-85 PIGGY-BACK CARS** THE NEW G-85 WITH CUSHIONED RUB RAILS HANDLES ANY COMBINATION OF TRAILERS AND/OR CONTAINERS. EASY AUTOMATIC TIE-DOWN OF TRAILERS. SIDE OR OVERHEAD LOADING OF CONTAINERS. NO SIDE RAILS TO LIMIT LOAD WIDTH. **DIA-FLO CARS** OUR NEWEST COVERED HOPPER CAR IS A BOON FOR FREE-FLOWING LADINGS. CONNECTIONS ARE LOCATED AT DOCK LEVEL. NO HOSE SWITCHING. NO WALKING TO OTHER SIDE. ONCE HOSES ARE CONNECTED AND AIR CONTROL SET, UNLOADING OF ALL HOPPERS IS COMPLETELY AUTOMATIC.

AND WHAT ABOUT THE BREAD AND BUTTER CARS? ⟶

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WE'VE ALWAYS BUILT THE BREAD AND BUTTER CARS. BUT PERHAPS OUR MORE SPECIALIZED CARS HAVE TENDED TO OVERSHADOW THIS FACT. WE BUILD ALL TYPES OF FREIGHT CARS. WE WANT ALL TYPES OF FREIGHT CAR BUSINESS. SO WHATEVER YOUR REQUIREMENTS, CALL CHICAGO, FI 6-4100.

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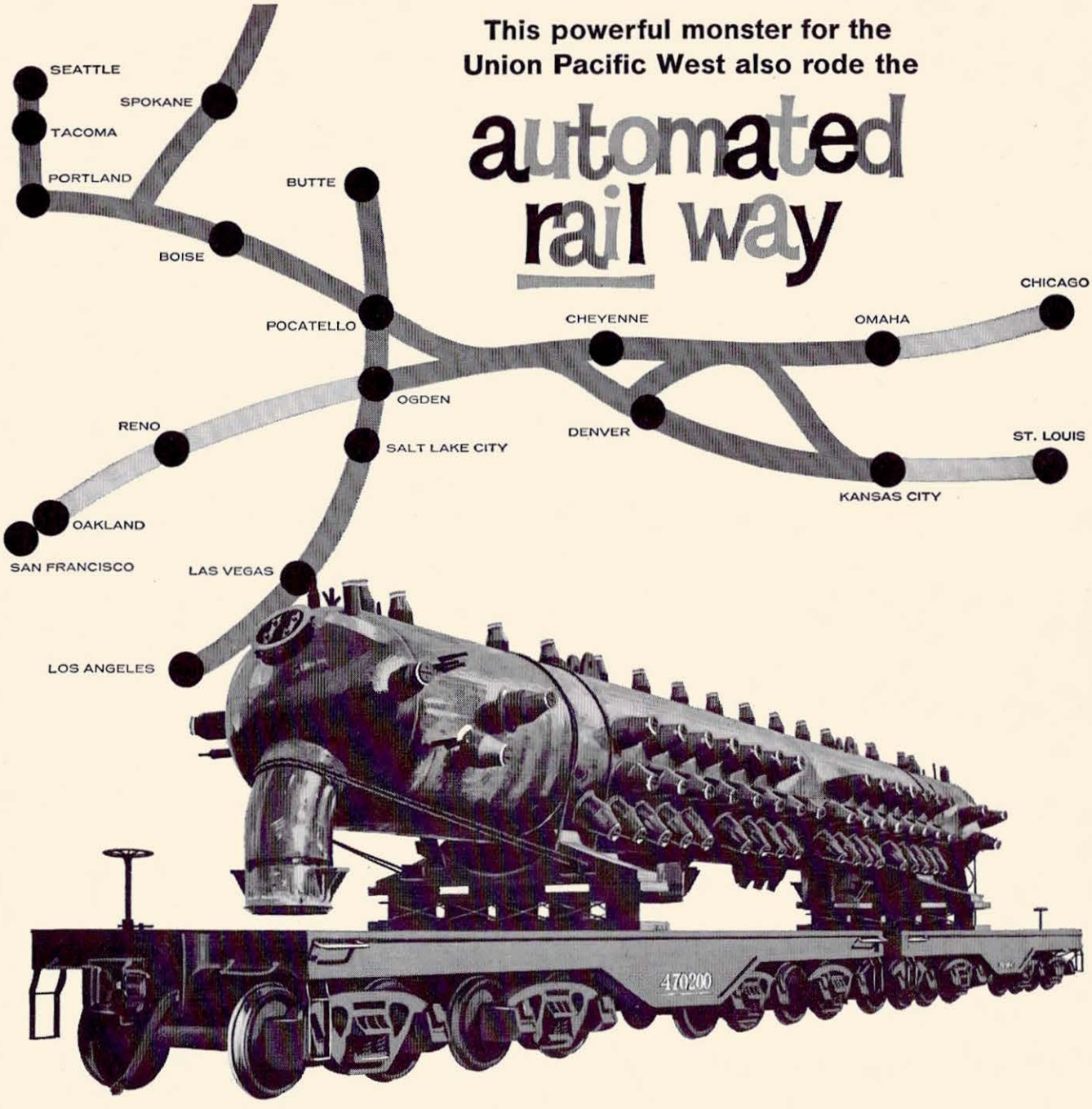
This powerful monster for the Union Pacific West also rode the

automated rail way

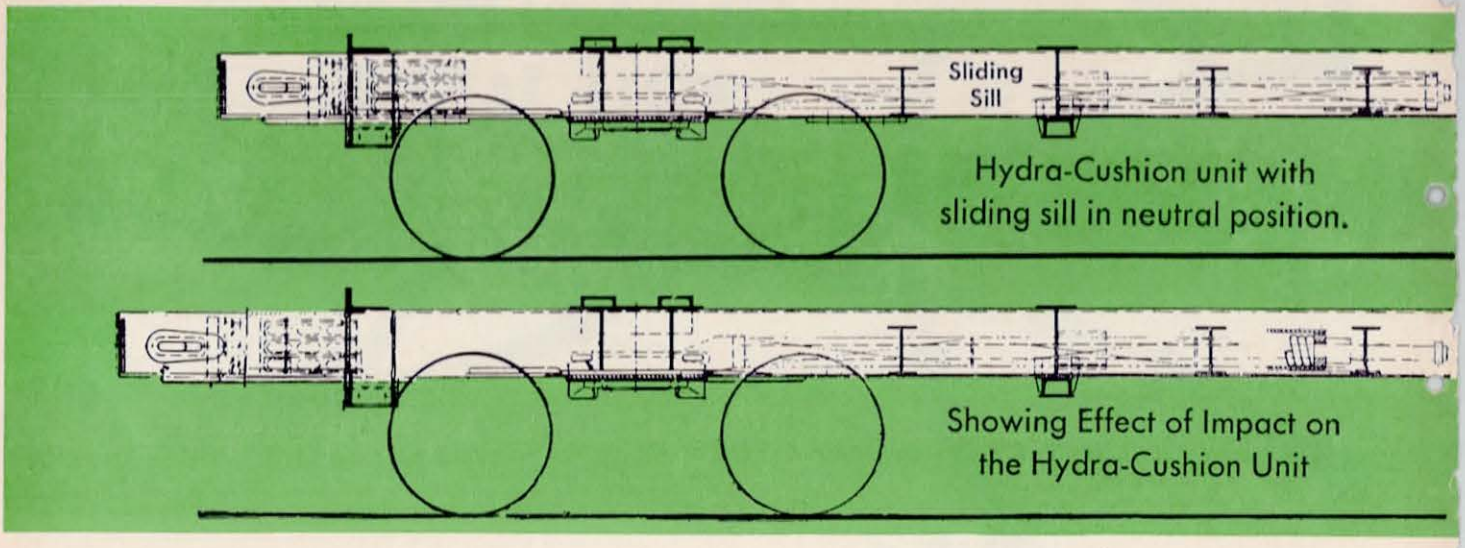


U.P.
UNION PACIFIC Railroad
OMAHA 2, NEBRASKA

Actually this monster is a boiler fabricated for a West Coast power plant. But boilers, boxes, bales or even buttons present no insurmountable transportation problem for Union Pacific. Freight shipped the automated rail way is cushioned, cradled, and, if necessary, cooled all the way. Whether it's a product of factories, mines, or agriculture, UP's electronic traffic controls, communications, and skilled personnel assure shippers efficient and dependable transportation to and from the West.

For freight of unusual shapes, as well as conventional, be specific . . . route it Union Pacific.

This is HYDRA-CUSHION *UNDERFRAME*


Sliding Sill
Hydra-Cushion unit with sliding sill in neutral position.
Showing Effect of Impact on the Hydra-Cushion Unit

...assures maximum cushioning with 20 inch sill travel, 75% less hydraulic pressure

It is the "Hydra-Friction" cushioning assembly, exclusive with Hydra-Cushion Underframe, which provides Hydra-Cushion positive lading protection. The "Hydra-Friction" assembly absorbs major forces of high-speed impacts with a sill travel of only 20 inches and hydraulic pressures 75% to 80% lower than would be required if a direct-acting hydraulic unit were employed.

The moderate sill travel allows car to negotiate sharper curves while the low hydraulic pressures minimize maintenance. Thus, Hydra-Cushion not only provides maximum cushioning but, at the same time, is the most truly trouble-free of any hydraulic underframe.

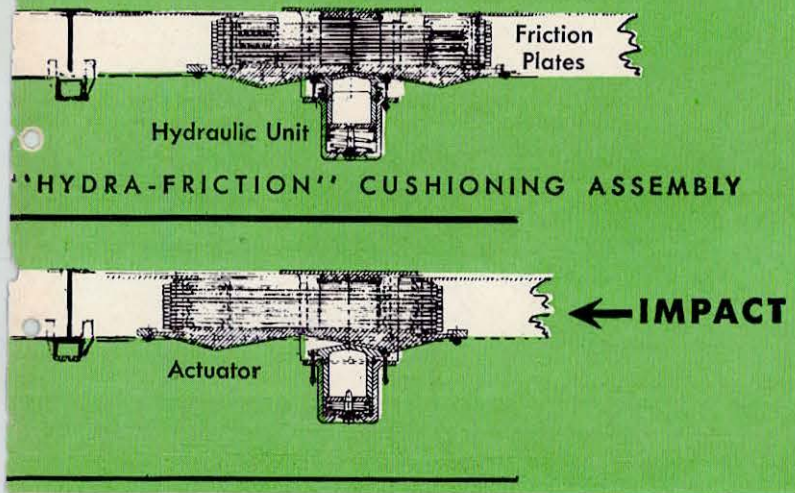
For trouble-free car operation and virtually damage-free handling of even fragile lading, you can rely fully upon Hydra-Cushion — first in the field and first in acceptance by American railroads.

SHIP by RAIL... HYDRA-CUSHION

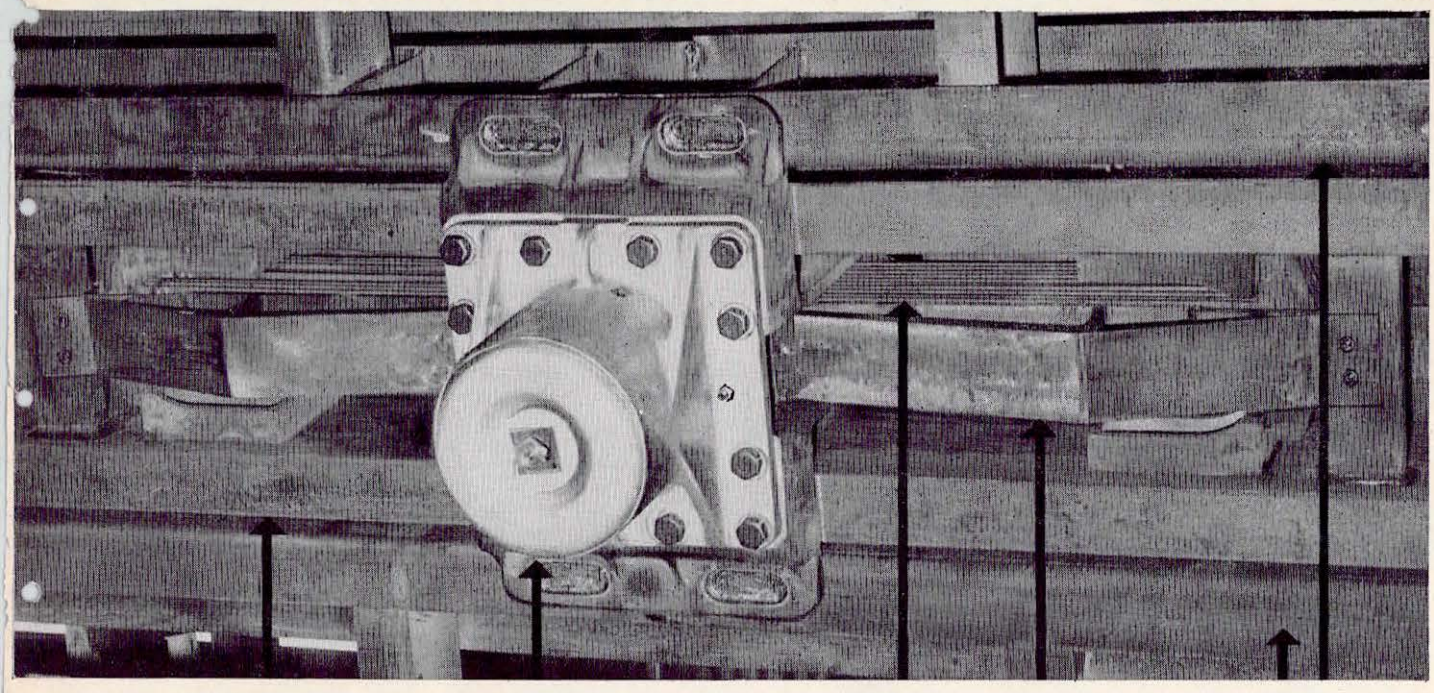
HYDRA-

For detailed information, write Hydra-Cushion Incorporated
230 Park Avenue, N. Y. 17, N. Y. or 13101 Eckles Rd., Plymouth, Michigan

-the only Hydraulic under-frame with "Hydra-Friction"



Note that, as the sill is forced in either direction, the double incline plane actuator exerts force upon the piston of the Hydra-Cushion unit and the increasing pressure compresses the friction plates above.



"Hydra-Friction" assembly as seen from beneath the car

Here, clearly shown, are the hydraulic unit, the inclined plane "actuators" and the friction plates which comprise the "Hydra-Friction" assembly.

Sill movement causes actuators to compress hydraulic piston which, in turn, exerts hydraulic pressure against friction plates to absorb major forces of impact.

CUSHION UNDERFRAME

always...a Merry Christmas and Prosperous New Year

from American Steel Foundries incorporated

AMERICAN STEEL FOUNDRIES
INCORPORATED

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- TRANSPORTATION EQUIPMENT DIVISION
- HAMMOND DIVISION

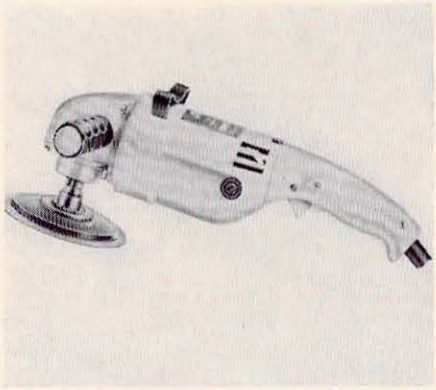
NEW PRODUCTS REPORT *(Continued on next page)*

Parts Cleaner (RA-1)

The combination of a Miji Lif cleaning machine charged with Magnus 798 has been found ideal for parts cleaning in signal shops. Capable of cleaning 125 lb of parts at a time, the Miji Lif features automatic agitation for fast, thorough cleaning action.

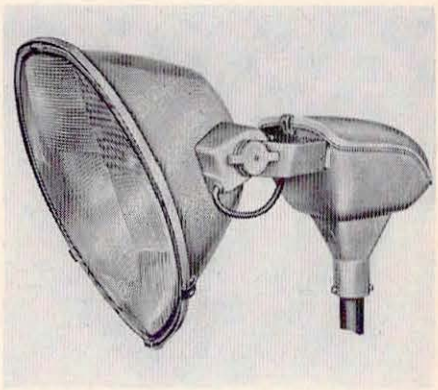
The dirty parts are placed on the platform of the machine; moving the operating level lowers the parts into the cleaning solution and vigorously agitates them up and down in the solution 140 times a minute. After cleaning, the parts basket is raised to the top of the machine for inspection and unloading.

Operation is by compressed air. For use with hot cleaners, the unit may be heated by electricity, gas or steam. Magnus 798, the recommended cleaner for use with the Miji Lif, does not contain cresylic acid and has no objectionable odor to permeate shop and workers' clothing, the manufacturer states. It is non-corrosive to any metal, ferrous or non-ferrous. It is fast acting and strips most paint finishes. *Magnus Chemical Co., Inc.*



Disc Sander (RA-2)

The maximum sanding speed of the Model 854 super-duty 7-in. disc sander is 8,000 rpm. The tool is of all-Neoprene sealed ball bearing construction, cushion mounted for shock resistance. It can be used also for high-speed disc grinding by adding an adapter flange assembly, safety wheel guard, and 8,500-rpm-rated 7-in. grinding wheels. The tool has a quick change locknut for fast disc changing, 7-in. perforated fiber pad, and three assorted sanding discs. *Skil Corp.*



Outdoor Floodlight (RA-3)

A new optical-design approach is incorporated in the MFB-10 Mercury Master outdoor floodlight for 700- and 1,000-watt mercury lamps. The lamps, clear or phosphor-coated, operate horizontally across the short axis of the optical system, and a variety of beam spreads can be achieved through a combination of lenses, socket positions, and reflector finishes. With special ballasts, a 1,000-watt lamp will operate at 1,500 watts. *Westinghouse Lighting Division.*

Supervisory Control (RA-4)

The Marc 066B supervisory control system provides remote status monitoring and control of conditions at unattended locations on a shared basis with voice communications over the same VHF radio channel. Alarm reports can be transmitted for 6 sec, once per min with a maximum of 5 consecutive transmissions. Remote control of equipment at unattended sites can be made on the same basis. Up to 16 alarm and control functions can be performed at each remote location. *Moore Associates, Inc.*

Air Hose (RA-5)

The 2575 air hose with socketless fittings is for use in all in-plant or mobile low-pressure air-line requirements—welding equipment, portable air tools, and shop air supply systems. It is designed for operating pressures up to 125 psi and is available in ¼-, ⅜- and ½-in. sizes, in 600-ft reels. The hose has an oil and abrasion resistant rubber cover and a synthetic rubber oil-resistant inner tube. *Aeroquip Corporation.*

RAILWAY AGE WEEKLY

30 Church Street, N.Y. 7, N.Y. READERS' SERVICE DEPT. (Att. George Johnson)

PLEASE SEND ADDITIONAL INFORMATION ABOUT PRODUCTS ADVERTISED ON PAGES 3 4 6 8 18 19 20 22-23 24 25-28 29 30-31 32 38 40-41 51 52

PLEASE SEND INFORMATION ABOUT PRODUCTS AND LITERATURE DESCRIBED ON PAGES 33 AND 34 MARKED RA-1 RA-2 RA-3 RA-4 RA-5 RA-6 RA-7 RA-8 RA-9 NL-1 NL-2 NL-3 NL-4 NL-5 NL-6 NL-7 NL-8 NL-9 NL-10 NL-11

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12/17/62

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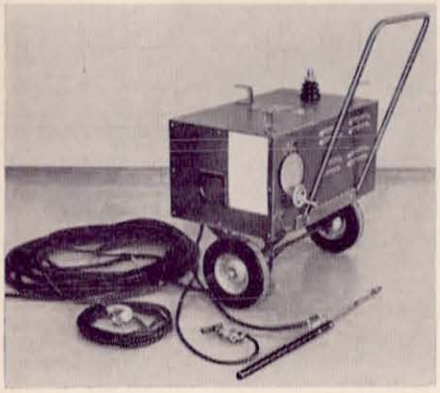
NEW PRODUCTS REPORT *(Continued from preceding page)*



Impulse Generator Unit **(RA-6)**

The 40-kv impulse generating unit is designed primarily for use with the Biddle 40-kv dielectric test set for locating cable faults by the impulse tracer method. It has a discharge repetition rate of about 4 sec, and discharge energy is approximately 515-watt-seconds at 40 kv. The method of detection gives an indication of whether the fault has been reached or passed when exploring pickup coil is applied at various points along cable. *James G. Biddle Co.*

Radial Arm Saw **(RA-7)**

Extra large capacity, rugged construction and a long-life motor feature the new Comet Clipper, model CLC, retractable radial arm saw. Clipper series radial arm saws provide a crosscut width of 19 in., rip-cut width of 34 in., and cut depth of 4½ in. Blades of either 16 in. or 20 in. are available. The saw, weighing approximately 497 lb, comes with legs or mounted on a trailer. Optional long arms will increase the capacity. *Comet Industries Corp.*

Oxygen Unit **(RA-8)**

An emergency oxygen wall case holds administration unit and one extra sphere, sufficient oxygen for over 2 hr supply. By pressing a single button, the unit is ready for instant use. Flow of oxygen is regulated automatically. The case, in white or green baked enamel inside and out, is made of heavy gage steel. Reflective and fluorescent sign panels on the front and both sides provide high visibility. *Albert W. Pendergast Safety Equipment Co.*

Balloon Cable **(RA-9)**

Introduction into the U.S. of a technique imported from France for making communications cable that looks like linked miniature balloons has been announced by Simplex Wire & Cable and Superior Cable. The patented French method of producing an air dielectric cable employs a technique whereby the insulating plastic tube is crimped tightly to the centered conductor at regular intervals. The crimping may be done in such a way that a water-tight or gas-tight barrier is formed between each little insulating balloon of captive air.

This system permits low cost extrusion of the product in long continuous lengths, with a high degree of uniformity of attenuation and impedance. It is possible to utilize a variety of plastic insulating materials, including low density and high density polyethylene as well as Teflon. Both Superior and Simplex will manufacture a broad range of single-conductor (co-axial) and multi-conductor (pair and quads) cables. *Simplex Wire & Cable Co.; Superior Cable Corp.*

New Literature

ADHESIVES-COATINGS-SEALERS. A newly revised 12-page catalog describing properties and typical uses of newly developed elastomeric adhesives, coatings and sealers has been issued by the Adhesives, Coatings and Sealers Division of the Minnesota Mining and Mfg. Co. (NL-1)

METAL CUTTING BAND SAW MACHINES. This new catalog describes the complete line of horizontal metal cutting band saw machines made by the Machine Tool Division of the Kalamazoo Tank & Silo Co. (NL-2)

LENGTHEN THE LIFE OF YOUR CONCRETE FLOORS. An illustrated leaflet showing how the Stonhard Co.'s STONTOP, after being brushed over a concrete floor, penetrates into the concrete and crystallizes, creating a flint-hard wear-resistant surface. (NL-3)

CALCIUM GREASES. A new bulletin (A-3465) describes the uses and important characteristics of all four of the Sun Oil Co.'s calcium greases that resist shock loads and shed water. (NL-4)

STEEL CASTINGS. Unitcast Corp. has announced publication of a new brochure describing the firm's steel castings and full-service foundry facilities. Emphasis is on design considerations, service conditions, quality control and casting techniques. (NL-5)

PNEUMATIC TEMPERATURE CONTROLS. A 4-page bulletin about Partlow Corp.'s line of indicating, recording and programming pneumatic temperature controls featuring rotary-valve-type of mechanism. (NL-6)

MERCURY FLOODLIGHTS. The new Mercurymaster general-purpose floodlights are described in a bulletin published by the Westinghouse Lighting Division of the Westinghouse Electric Corp. (NL-7)

ULTRASONIC TESTING. This 16-page booklet describes the five standard thickness testers available from Branson Instruments, Inc., and provides complete technical data on transducers, oscillators, coaxial cables and various accessory devices. (NL-8)

MODEL B TRAKLINER. The new Nordberg Manufacturing Co. Model B Trakliner, described in bulletin 316, features hydraulic propulsion replacing friction drive for faster spotting, greater draw bar pull and smoother operation. (NL-9)

INDUSTRIAL LOADERS. A new catalog covering the Allis-Chalmers Manufacturing Co.'s L-99 and L-200 line of industrial loaders for its "D" series industrial wheel tractors. (NL-10)

VIBRATION/SHOCK/NOISE CONTROL. The full range of vibration/shock/noise control products manufactured by the Lord Manufacturing Co. is described in a new product guide. (NL-11)

N. J. JORDAN
Traffic Manager
The Grand Union Company

"I find Railway Age very interesting . . . keep up the good work" . . .

"I look forward to receiving Railway Age. Your special articles are not only interesting but educational. The Traffic Poll I always find extremely interesting as it gives me an idea of how other Industrial Traffic Men think about questions important to all of us. Keep up the good work."

Transit Need Cited In Chicago Study

Bigger and better expressways breed bigger and better traffic jams. This, essentially, was what an independent engineering firm found during an 18-month study of transit needs in Chicago's Northwest corridor.

The study was made by the firm of Parsons, Brinckerhoff, Quade and Douglas. Chicago & North Western and Chicago Transit Authority jointly sponsored the $111,000 investigation. In the report, made public Dec. 6, the engineering firm recommended a $36,000,000 extension of CTA's rapid transit system in the median strip of the Northwest Expressway as "the most effective means of reducing traffic congestion" on existing highways. Addition of the rapid transit line would provide the equivalent of four additional express lanes but the report indicated that peak-hour highway commuters would still be fighting congestion.

Oddly enough, the study determined that the "dramatic improvement in private automobile transportation brought about by construction of the Northwest Expressway at essentially no cost to the users other than taxes on fuel and tires consumed on it" has intensified the need for improved public transportation in the area. "Recent massive investment in expanded highway facilities," said the report, "has diverted many C&NW riders to private autos." (Apparently these former C&NW commuters are now clogging the $238,000,000, 10-lane expressway at the going rate of 1.4 persons per auto.)

The engineering firm estimated that motorists using expressways pay only about 34% of their annual capital costs through fuel and other user taxes. "In a real sense," they report, "[Chicago's] Northwest Expressway has been subsidized by motor vehicles using other highways and streets. This is not to suggest that such a way of financing highways is unsound but to point out that since charges are not levied for the use of such limited access highways in proportion to their true cost it cannot be expected that public transportation can remain competitive and attract patronage if it levies charges that are in proportion to its true cost. Policies and patterns of highway financing are one of the factors that may impose the necessity of subsidizing public transportation."

Still, the independent investigators raised the question of "economic justification" of subsidizing either CTA or C&NW mass transportation deficits. At one point in their 75-page report they ask "why such investments [subsidies] are necessary to divert people from use of their automobiles, particularly in the light of the fact that highways are generally financed from fuel taxes?"

Notwithstanding concern over "economic justification," the engineering firm concludes, "Public transportation must be improved if economic distortions due to traffic congestion are to be prevented or minimized. . . . Effective public transportation is . . . a necessity if the benefits of a free-flowing transportation system are to be realized. These benefits include the value of time saved due to elimination of travel delays in movement of both people and freight, reduction in economic losses due to property damage, injuries, and deaths resulting from traffic accidents, probable reduction in actual cost of travel, enhancement of opportunities for choice of business sites and selection of job place or home place, improved convenience of travel, and others."

Large losses forecast

The engineering firm estimated that CTA would experience an annual loss of $2,600,000 due to the extended rapid transit line. The Transit Authority would absorb $765,000 annual debt service on rolling stock and $855,000 as partial debt service on fixed construction. The $1,000,000 balance of debt service on fixed construction would be borne by "some other public agency." For North Western, the subsidized competition would cause an estimated $1,100,000 additional annual suburban service deficit.

The report noted that "it does not appear that even the most diligent operating and fiscal economies would prevent the C&NW from experiencing, under current conditions, some considerable net loss before return on its investment in suburban services." It suggested the following methods of providing assistance to C&NW:

- Some form of tax relief.
- Establish a city, county or regional organization to contract with C&NW to provide a certain level of service in suburban operations. The authority would set fares and share in net losses sustained by North Western in providing the desired service. "This would act to reduce the alternative costs which the city, county and state would otherwise incur in providing, maintaining and operating expanded and additional highway facilities for peak-period commuter motorists."
- The city, county or state could lease some or all of the C&NW suburban facilities and operate them in the form of a district or authority.
- Outright purchase and operation by a public agency of North Western's suburban facilities.

The independent investigation of Chicago's transit needs, which started in March 1961, was born of a CTA-C&NW dispute over construction of the proposed median-strip rapid transit route roughly parallelling a lucrative portion of C&NW's Wisconsin Division into Chicago's Northwest corridor. C&NW argued that it could provide adequate service in the area and that an additional competing rapid transit line would undermine its entire suburban service.

The Parsons, Brinckerhoff study determined that North Western had sufficient reserve capacity to "handle any likely future increases in its local or suburban passenger traffic and that from its standpoint there would appear to be no need for the proposed Northwest rapid transit line." The engineering firm also concluded that from the specific operating and fiscal standpoint of the CTA there is no need for additional or improved public transportation in the area. The report also concluded that benefits to those who must use public transportation and the motorists using existing highways "would not by themselves justify large expenditures of funds" for improved public transportation. However, the firm decided that additional or improved public transportation service or facilities are needed "from the standpoint of the community in general and of the development of the metropolitan region."

Dividends Declared

ALABAMA GREAT SOUTHERN.—$2, payable Dec. 21 to holders of record Nov. 30.

BANGOR & AROOSTOOK.—12½¢, increased quarterly, payable Dec. 31 to holders of record Dec. 17.

CHICAGO, BURLINGTON & QUINCY.—$2, payable Dec. 20 to holders of record Dec. 10.

CINCINNATI, NEW ORLEANS & TEXAS PACIFIC.—common, $2, payable Dec. 19 to holders of record Dec. 5; 5% preferred, $1.25, quarterly, payable March 1, June 3, Sept. 3 and Dec. 2 to holders of record Feb. 15, May 15, Aug. 15 and Nov. 15, 1963, respectively.

COLORADO & SOUTHERN.—common, 25¢; 4% 1st preferred, $4, quarterly; 4% 2nd preferred, $4, quarterly, all payable Dec. 28 to holders of record Dec. 14.

DELAWARE & HUDSON.—Increased, 35¢, payable Dec. 28 to holders of record Dec. 7.

UP's Coal Turbine Being Road Tested

The world's first direct-fired coal-burning gas turbine-electric locomotive is now undergoing road tests on the Union Pacific.

Designed and built by the UP, the complete locomotive is rated at 7,000 hp. It consists of a 2,000-hp diesel-electric A unit, a 5,000-hp coal-fired gas turbine B unit, and a tender which carries coal-pulverizing equipment and coal. Total length of the two locomotive units and tender is 215 ft.

A. E. Stoddard, UP president, said development of the locomotive was "strictly an experiment to evaluate the feasibility of using coal to power a gas turbine in locomotive service."

Mr. Stoddard said the decision to develop the locomotive was made with the view of enabling the railroad to resume use of its abundant coal supplies which have been little used in recent years because of the extensive use of locomotives which burn only petroleum fuel.

Long interested in the development of high-horsepower motive power, the UP now has in regular freight service 19 oil-fired 4,500-hp gas turbine-electric locomotives and 30 oil-fired units, each having 8,500 hp rating.

Only one direct-fired coal-burning gas turbine has been tested in an experimental stationary installation. None has previously been applied to a locomotive, although the turbine had been designed specifically for this application. It was the product of work undertaken in 1944 when leading coal producers and coal-carrying railroads undertook to produce a coal-fired locomotive. This group formed the Locomotive Development Committee and became affiliated with Bituminous Coal Research, Inc., the nation-wide research agency of the bituminous coal industry.

Combustion and ash separation problems, not encountered when oil is used for fuel, have been the major obstacles to the use of coal in gas turbines.

The first, or lead, unit of the experimental locomotive is a specially modified 2,000-hp diesel-electric locomotive unit which supplies power to crank the gas turbine in starting and then provides 2,000 hp for pulling a train.

Turbine in second unit

The second unit is 101 ft long. It contains the 5,000-hp gas turbine power plant, coal combustion and ash separation equipment, main generators, and an auxiliary diesel engine coupled to a 500-kw alternator to supply electric power for coal processing equipment. Eight of the twelve axles on this unit have traction motors, drawing their power from the main generators driven by the turbine.

The third unit is a coal tender. It carries 61 tons of coal, sufficient for a trip of about 500 miles, and the equipment to process the coal required by the gas turbine unit.

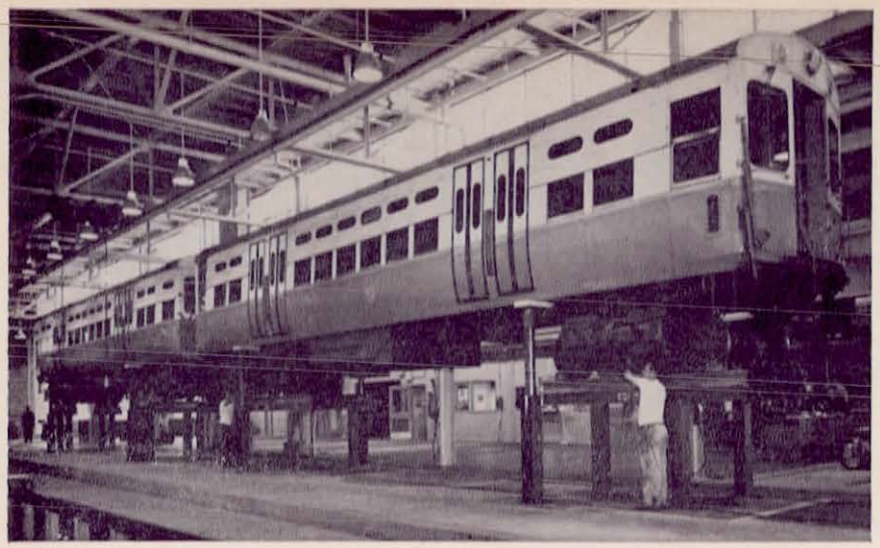
Major components of the turbine power plant are a compressor section, combustors, fly ash separator, and the turbine assembly itself. Air, compressed to about six times normal atmospheric pressure in the 15-stage axial-flow compressor, goes into the combustors where fuel is mixed with it and ignited. Reaching a maximum temperature of 1,450 deg, the resulting gases expand through the two-stage turbine and discharge through an exhaust hood. The turbine shaft delivers 5,000 hp through reduction gears to the generators and also drives the turbine compressor. Diesel fuel is used in starting the turbine, and the switch to coal is made automatically.

When the turbine is operating on coal, nugget-size pieces (about 1 by 2 in.) move through crushers and a pulverizer which reduces them to particles small enough to move in a fluidized state when introduced into an air stream. In this state it has much the same handling characteristics as a liquid. The crushed coal is stored in a 2½-ton bin in the processing compartment of the tender. Two coal pumps meter crushed coal to the two pulverizers in accordance with turbine requirements.

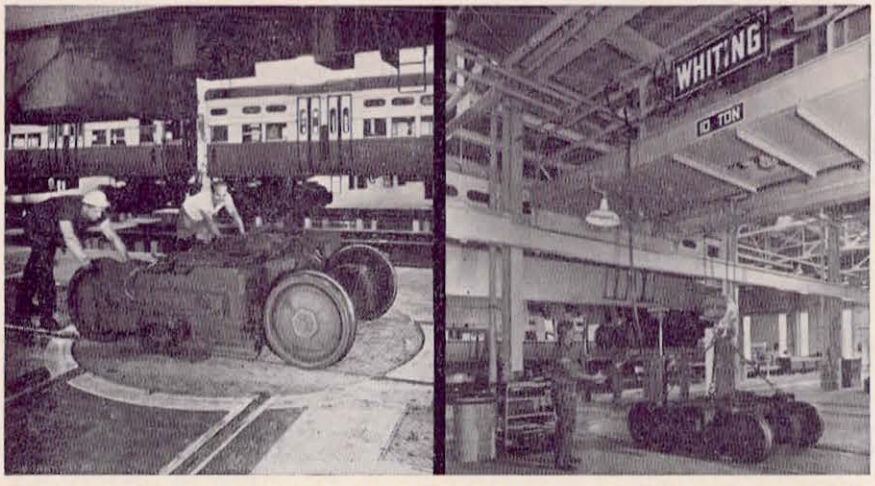
With this system, the amount of pulverized fuel is kept to a minimum and it is pulverized only as required. After the coal is ignited in the combustors, the gases pass through ash separation equipment where non-combustible abrasive ash is drawn off to reduce wear on turbine buckets.

The turbine power plant was converted from one used in the 4,500-hp locomotives, with considerable redesigning, plus an increase to 5,000 hp.

The design of coal combustors, fly ash separators and coal handling equipment for the UP locomotive is based on work done in the past by the Locomotive Development Committee. The committee's work was confined to stationary testing, however, and adaptation of the equipment for use in a road locomotive necessitated extensive redesigning. Alco Products and General Electric collaborated with the UP in this redesigning.



CARS GO UP—COSTS COME DOWN



HOW NEW WHITING INSTALLATION CUTS CTA REPAIR BILLS

The new Congress Terminal of Chicago Transit Authority is beautiful to see and economical to operate. It incorporates the very best and most efficient in appointments and facilities.

Maintenance and repair of trucks, for instance, is accomplished on a production line basis. Four Whiting 4-screw hoists lift two semi-permanently coupled cars five feet into the air, where each car body is held solidly in place by two pair of Whiting body supports. Trucks are then lowered and rolled onto Whiting electric turntables which position them for movement onto repair tracks. Whiting overhead cranes are used for any lifting required in service operations. The entire Whiting installation is push button controlled and guarded by fail-proof safety devices.

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New Renta

A new approach has been suggested for owning and managing railroad work equipment and roadway machines.

Basically, the new approach would involve setting up within the corporate body of a railroad an organization that would rent maintenance-of-way equipment to the using department. The renting organization would have complete financial responsibility for the machines and the users would enjoy all the privileges of customers.

The new concept was described recently by E. H. Fisher, manager of work equipment, Canadian National. "The rapid evolution of maintenance-of-way mechanization," he said, "has created a need for a new approach to the management of equipment ownership. Work equipment and roadway machines, being a multi-million-dollar investment in mechanization, can be considered no longer a minor entity in management and corporate planning."

"It used to be easy before the advent of mechanization to adjust to economic situations by laying off men—but you can't lay off machines," Mr. Fisher told a meeting of the Maintenance of Way Club of Chicago. "Even idle machines carry the burden of ownership costs, such as interest, depreciation, preservatives, facilities, and so on—not to overlook the effect this idle period has on the obsolescence factor."

Noting the increasing need "to foster a cost consciousness at all levels of management and supervision," Mr. Fisher went on to say that "we can no longer afford to take the attitude that mechanization has paid its way and leave it at that." At this point he invited his audience to consider "a new approach for the management of work equipment and roadway machines."

"The basic idea," said Mr. Fisher, "is a rental equipment organization within the railroad corporate body, with the users of equipment enjoying the privileges of a customer. No comptroller would set up a voucher system where one man approved expenditures, certified invoices, approved the vouchers and signed the checks. When the supply and the use of equipment are under the same managerial control, that, in effect, is what you have. The supply and the use of equipment are each specific functions with separate and distinct responsibilities. When under one managerial control there can be conflict of interests. Such an environment can have the members of each team scrambling for defensive explanations, not always supported by fact."

dea Proposed for M/W Machines

Mr. Fisher would establish "an ancillary equipment rental service responsible for *all of the costs* the railroad would *not* have if it *did not* own this type of equipment." His reasoning is that "survival under such an arrangement would compel the supplier and the user of equipment to deal at arm's length." The proposal would require the work equipment department "to submit to the corporate body a financial account of its performance through standard accounting statements, such as the profit and loss statement and balance sheet. At the same time it would enable the user of equipment to estimate and control job costs through a schedule of rental rates."

As Mr. Fisher sees it, there are three "separate and distinct" areas of responsibili'y for equipment within a corporate structure. One of these is the responsibility of management to the board of directors for the funds appropriated for ancillary equipment.

Secondly, there is responsibility of work equipment management "to the corporate executive [management] for the stewardship of the equipment enterprise." Therefore, work equipment management "must have the means and be free of red tape to make decisions quickly; to modernize the equipment inventory with machines of high-speed productivity and reliable performance; to maximize u'ilization of equipment and facilities; to improve operator and machine performance for maximum productivity—in summary to be responsible for all facets of equipment ownership on a financial basis."

Finally, he says, there is the responsibility of the users of equipment for getting work done at the least possible cost. "Therefore, they must have the means for making economic evaluations of equipment application on a competitive basis; be furnished with a means of budgeting equipment costs with the confidence that the actual charges will be based upon the same rates used for the budget; and they must obtain reliable, highly productive equipment and service at the lowest possible cost."

"What benefits," asks Mr. Fisher, "can an ancillary equipment rental service provide to achieve financial responsibility and accountability for work equipment and roadway machines?" For one thing, he answers, the use of a profit and loss statement and balance sheet would provide management with the same advantages as a bank in determining the risk factor in appropriating capital funds for the rental service. "In brief, management would know if it is getting the best returns from its capital investment."

Furthermore, declares Mr. Fisher, complete financial responsibility "would compel the management of the ancillary equipment rental service to manage its affairs efficiently at minimum administrative and operating expense."

Mr. Fisher is convinced the user would stand to gain considerably through application of his plan. For example, he says, "charges to the users would be made only to the extent of equipment assignment less any loss of time due to equipment breakdown and repairs." In addition, the user would be permitted "to select machines on a competitive basis of performance and cost." An incentive would be provided "for the user to isolate equipment of low productive capacity which might result in excessive job cost." Furthermore, "the user would be provided with up-to-date equipment, as the productive life of existing equipment would be consumed faster through increased utilization, proportionately reducing obsolescence, maintenance expense and carrying charges, and all of this would have an effect upon the rental rate."

Under the plan, says Mr. Fisher, the user would be justified in rejecting equipment which is operated unproductively. Also, it would aid in the overall planning and carrying out of work projects, allowing the user "to concentrate on supervision of production in the same manner as if the equipment and operator were being provided by a private contractor."

An equipment rental service would, in fact, "function similar to an outside equipment contractor but it could be a functional entity within the railroad corporate body. If data processing facilities are available, such services should be utilized where it is economical to do so."

He outlined some of the elements of a rental plan on the basis of using data-processing facilities, "realizing that the principle could apply to a manual operation." His idea would be to develop a dual-purpose functional numbering system to denote type of machine as well as identification. "As each machine number is recorded on the source document for either an expense or a revenue item it becomes the key for in-put or out-put of data without a separate coding system."

It is Mr. Fisher's thought that "the functional design of the machine identification number permits management to program statistical data in a way to identify very quickly any specific type of machine that is not paying its way."

Canadian National Weighing Adoption of System

Management of the Canadian National is considering a proposal that the system of machine management described in the accompanying article be adopted for application on the system as a whole. Forms that would provide the information needed to implement the system have been devised and are in use. These include a Work Order and a Maintenance Record, both of which have been adopted for systemwide use. Also included are an Operator's Report and a Machine Performance Record, now being used on a test basis.

The Work Order affords a complete record of repairs made on a machine during a particular shopping, including the type of work, the materials used and their cost and the man-hours of labor required in making the repairs. The Maintenance Record provides a history of the repair work required by a particular machine, as obtained from the Work Orders.

On the Operator's Report the operator of a machine enters daily a complete record of the work done by the machine, including the supplies used and any field repairs required. The Machine Performance Record summarizes for a period of time the information for a particular machine given on the Operator's Reports.

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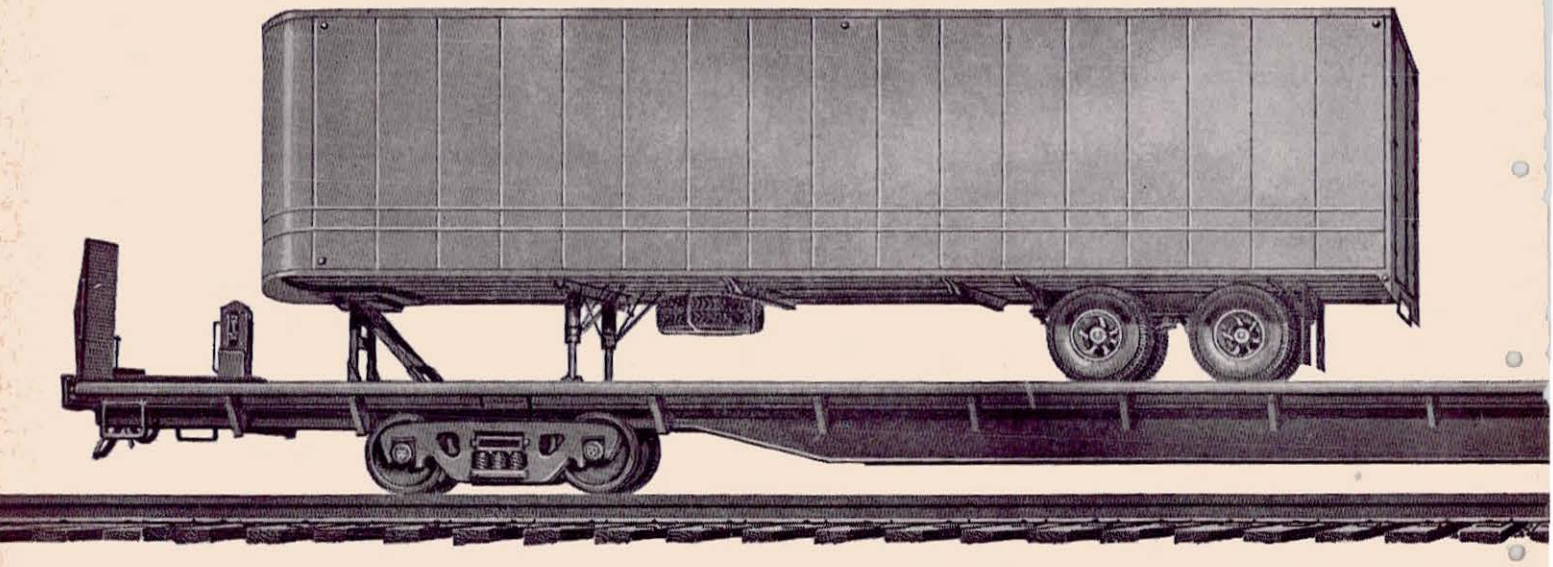

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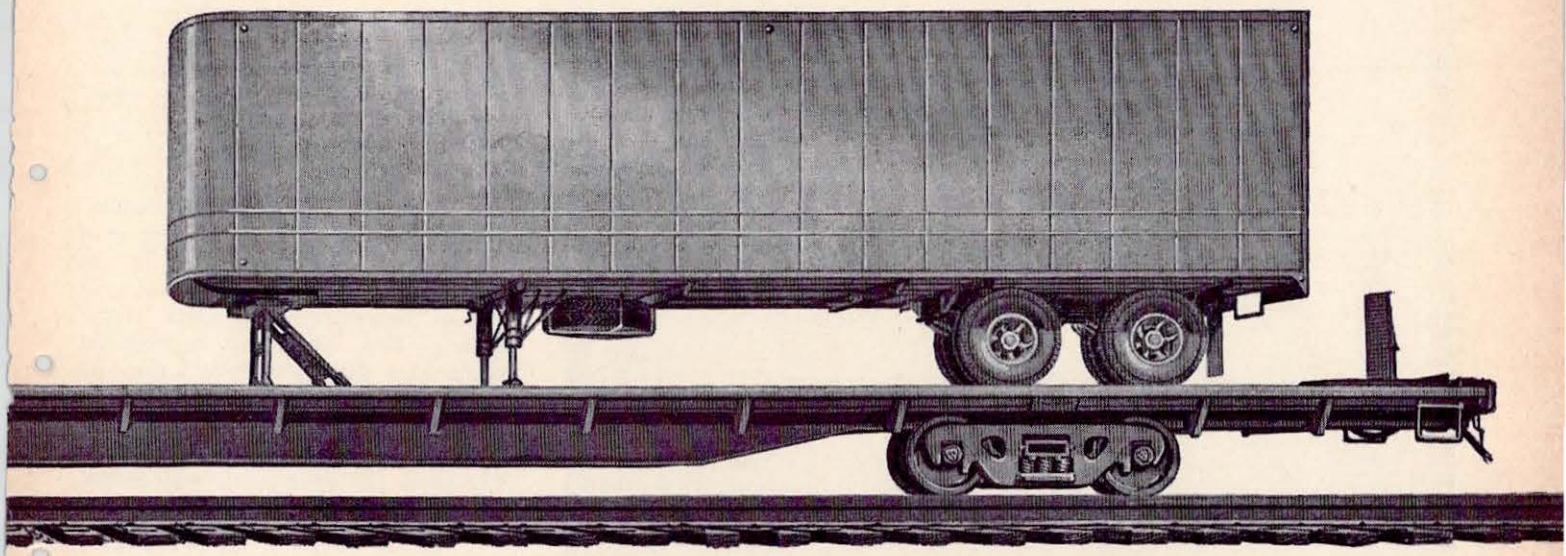

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Truckers, Shippers Differ on TOFC

Pleadings in the ICC's piggybacking investigation identify the motor carriers and their customers as opposing interests in the case. The National Industrial Traffic League has filed a presentation addressed generally to the proposition that "the continuing development of trailer-on-flatcar service should be encouraged by the Commission." American Trucking Associations has filed a presentation calling for Commission adoption of rules which would proscribe some present piggybacking practices.

The investigation is the Ex Parte 230 case in which the Commission is proposing to adopt a comprehensive set of rules to govern trailer-on-flat car services (RA, Oct. 15, p. 9). The general railroad-industry reaction is that the proposed rules are unnecessary and would hamper the development of piggybacking services.

The NIT League presentation parallels that position, but it also places special emphasis on the League's opposition to one of the proposed rules which would prohibit direct or indirect railroad leasing of trailers and other highway vehicles, or rail cars, to or from shippers or freight forwarders. This, of course, would hobble Plans III and IV, where trailers, or trailers and flat cars, are furnished by shippers, who may hire the equipment for that purpose.

The League's principal interest is in Plan III, where the shipper furnishes only the trailer. The proposed rule, it said, "would in practical effect destroy by administrative fiat a very large portion of Plan III service as now offered to and used by the shipping public"; and "stifle the healthy and normal evolution of Plan III." The League argument continued:

"Why should there be this sweeping a priori prohibition against the leasing of trailers and/or rail cars by railroads . . .? Why should there be this arbitrary prejudgment . . .? Has the anonymous draftsman of the proposed rule made some decision that there may be progress in transportation but that it shall not occur in this particular direction? If this were so, it would be totally unwarranted and unjustified. For, in blunt terms, this would be nothing short of crippling the transportation industry by decree."

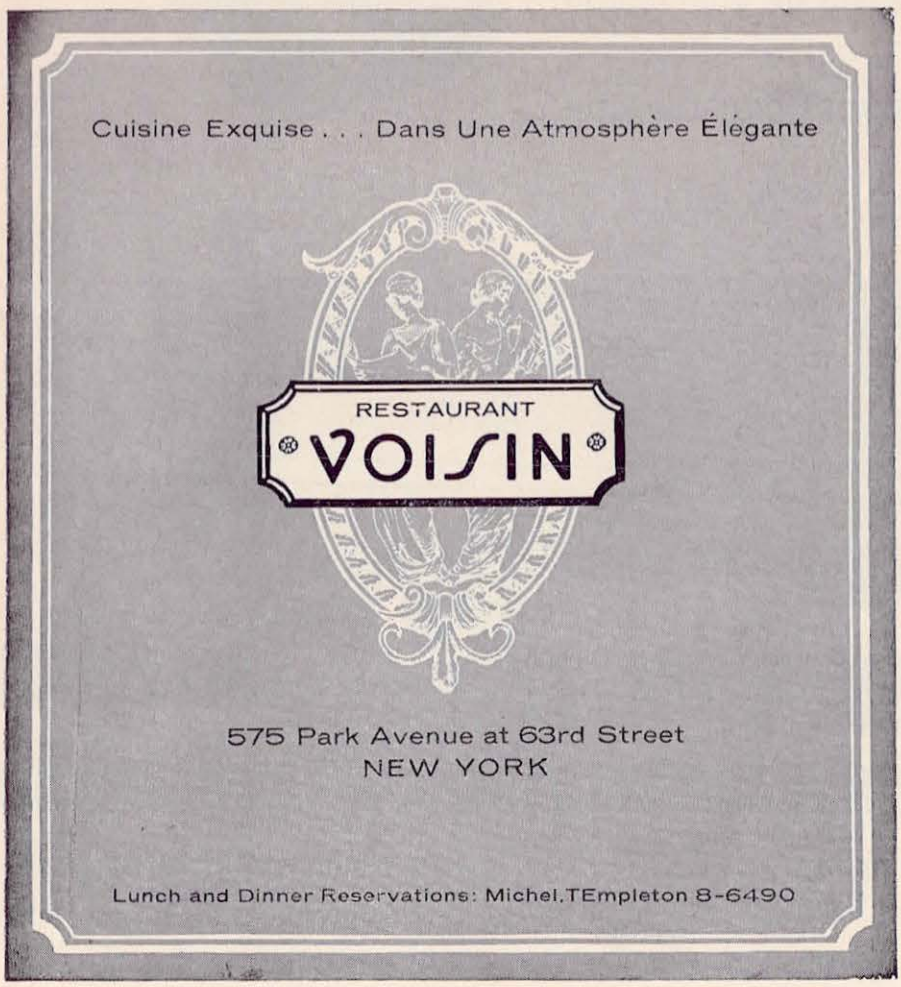
Meanwhile, the League emphasized its support of "complete disclosure." It suggested, however, that this could be achieved by rules requiring publication in tariffs of "all the provisions governing services, practices, rates, charges, allowances, etc., in connection with TOFC services."

ATA, in its presentation, spoke for itself, and 17 other national and regional trucking organizations. The presentation, as an ATA announcement said, backed up the trucking industry's previous endorsement of the proposed Commission rules.

Under present practices, the presentation argued, rates and charges are published for services which range all the way from a complete transportation service, including pick-up and delivery, to only providing motive power and roadway for a shippers' flat car loaded with a shipper's trailer.

"The resulting mass of inconsistent and sometimes sharply contradictory tariff publications," ATA continued, "has resulted in about as fruitful an environment for the practice of discriminations, preferences and prejudices as could be imagined. A freight solicitor of a railroad which offers the multitudinous plans of TOFC transportation has but to put on another hat when he cannot secure the business under one plan. He thereupon shifts easily into the selling of another and less costly plan, even though the actual services provided under the two plans are virtually indistinguishable."

As ATA interprets them, the proposed rules would require the railroads to provide all equipment, facilities and services necessary to conduct piggybacking. This, along with a proposed requirement that all piggyback rates be published, is called "one of the most important aspects" of the Commission proposals. It is "perfectly plain" to ATA that the proposals "will permit the performance by the railroads of all existing variations of all-rail TOFC transportation insofar as the physical aspects are concerned." However, the proposals would "put an end to pricing practices which are so fertile an area for discrimination, preferences and prejudices," the statement added.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Market Outlook

Carloadings Drop 4.2% Below Previous Week's

Loadings of revenue freight in the week ended Dec. 8 totaled 537,392 cars, the Association of American Railroads announced on Dec. 13. This was a decrease of 24,862 cars, or 4.2%, compared with the previous week; a decrease of 25,639 cars, or 4.5%, compared with the corresponding week last year; and an increase of 19,774 cars, or 3.8%, compared with the equivalent 1960 week.

REVENUE FREIGHT CARLOADINGS

For the week ended Saturday, December 8

District	1962	1961	1960
Eastern	75,638	82,103	75,081
Allegheny	83,713	91,633	80,465
Pocahontas	45,672	53,421	44,253
Southern	112,189	111,908	107,590
Northwestern	60,270	61,885	57,410
Central Western	121,552	122,622	114,400
Southwestern	38,358	39,459	38,419
Total Western Districts	220,180	223,966	210,227
Total All Roads	537,392	563,031	517,618
Commodities:			
Grain and grain products	53,371	58,383	50,216
Livestock	3,701	3,828	4,986
Coal	99,026	107,613	98,646
Coke	6,906	7,947	5,612
Forest Products	36,787	37,440	35,212
Ore	14,910	17,307	12,526
Merchandise l.c.l.	20,007	25,323	30,262
Miscellaneous	302,684	305,190	280,158
December 8	537,392	563,031	517,618
December 1	562,254	572,800	522,936
November 24	484,257	495,466	471,351
November 17	571,401	591,335	567,561
November 10	586,286	605,353	564,595
Cumulative total, 49 weeks	27,347,465	27,112,470	29,081,253

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Dec. 1 totaled 14,315 cars, compared with 12,554 for the corresponding 1961 week. Loadings for 1962 up to Dec. 1 totaled 655,666 cars, compared with 546,471 for the corresponding period of 1961.

IN CANADA—Carloadings for the seven-day period ended Nov. 21 totaled 66,541 cars, compared with 66,956 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Nov. 21, 1962	66,541	22,269
Nov. 21, 1961	68,399	23,210
Cumulative Totals		
Nov. 21, 1962	3,198,535	1,065,540
Nov. 21, 1961	3,130,145	1,087,849

New Equipment

FREIGHT-TRAIN CARS

► *Central of Georgia.*—Ordered 100 70-ton gondola cars from Greenville Steel Car and five 100-ton covered hoppers from General American.

► *Denver & Rio Grande Western.*—Ordered 100 70-ton box cars from ACF; 100 50-ton bulkhead flat cars from Bethlehem Steel, and 25 70-ton TOFC flat cars from Pullman-Standard.

► *Western Pacific.*—Ordered 50 insulated box cars (RA, Dec. 10, p. 47) from Pacific Car & Foundry at a cost of approximately $950,000. Delivery is scheduled for first quarter 1963.

LOCOMOTIVES

► *Southern Pacific.*—Ordered 15 4,000-hp diesel-hydraulic locomotives, with Maybach engines, from Krauss-Maffei in West Germany, following successful operation of three similar locomotives that were delivered in October 1961 (RA, Nov. 5, p. 9).

Capital Expenditures

► *Burlington.*—Will spend $20,719,000 for 1,225 roller-bearing-equipped freight cars and 12 2,250-horsepower GP-30 locomotives during 1963. Freight car orders will include 600 extra-wide-door box cars; 200 jumbo-size covered hoppers; 200 100-ton-capacity open top hoppers; 150 box cars with foamed-in-place insulation; 25 "damage free" box cars with load braces and cushioned underframes; and 50 radio-equipped all-steel caboose cars.

► *Chicago Transit Authority.*—Has budgeted $35,700,000 for 1963 capital improvements including a carryover of $16,932,800 from 1962 authorizations. Major items include $15,000,000 for 180 "New Look" rapid transit cars and $7,900,000 for 300 new buses; $1,575,700 for track renewal and replacement; $1,885,000 for various construction projects; $1,409,000 for facility improvement and modernization programs; $603,000 for additional maintenance equipment; and $1,324,000 for surface and rapid transit system electrical construction.

► *Soo Line.*—Has approved $7.5 million for capital expenditures during 1963, including acquisition of 244 freight cars and 22 GP-30 locomotives which will replace 33 diesel units being retired. Freight car orders will include 100 50-ft, 70-ton box cars with roller-bearing trucks and load protection devices (10 cars will have hydraulic undercushioning); 60 50-ft, 70-ton insulated box cars with plug doors, roller-bearing trucks, hydraulic undercushioning and load protection devices; 15 Airslide covered hopper cars; 10 70-ton multiple-purpose hopper cars; 15 60-ft, 70-ton-capacity flat cars with roller-bearing trucks and special tie-down equipment for tractors; 4 53½-ft, 70-ton-capacity, low-deck flat cars equipped with hydraulic undercushioning, roller bearings and special tie-down equipment for transformers; 10 85-ft, 70-ton, roller-bearing-equipped general purpose flat cars; 10 52½-ft, 70-ton gondola cars, designed for steel billets, and 20 70-ton, 52½-ft high-side gondolas for coal, pulpwood and sugar beets.

ORT and NYC Settle Job-Security Case

Settlement of the job-security dispute between the Order of Railroad Telegraphers and the New York Central gives ORT more than it got in its agreement with the Chicago & North Western, but not more than was recommended by the emergency board which heard the Central case. The settlement was announced Dec. 10 in Washington at an unusual joint labor-management press conference conducted by ORT President G. E. Leighty and NYC Vice President L. B. Fee. While the agreement looks like a pattern for settlement of like cases pending on some 30 other railroads, Mr. Leighty would not admit this. He did say, however, that he expects settlement of the other cases without emergency-board proceedings.

The principal difference between the ORT's job-security agreement with the NYC and its earlier agreement with the C&NW is the NYC pact's provision for arbitration of disputes regarding such phases of the so-called central agency plan as work loads, rates of pay and auto-mileage allowance. These arbitration arrangements were recommended by the emergency board which heard the NYC case, but they do not involve arbitration of management plans to discontinue positions held by ORT members.

ORT's unsuccessful demand for the latter in the North Western case seems to have settled the issue. At their joint press conference, ORT's Leighty and NYC's Fee made a brief statement, saying: "The agreement follows the report and recommendations of the Presidential Emergency Board in this dispute and is a settlement similar to the settlement recently made with the Chicago & North Western. It also contains provisions to dispose of problems not present in the Chicago & North Western dispute in a reasonable and equitable manner."

Job-loss relief

The agreement thus provides for job-loss relief under provisions of the Washington Agreement. As to NYC's central agency plan, which places two or more stations under control of a single agent, the agreement provides for the arbitration arrangements noted above, and requires that the ORT general chairman be given 90-days notice of plans to abolish any position.

In recommending this notice requirement, the emergency board said that, during the notice period, the general chairman "should have the right to meet with a representative of the carrier in a joint discussion with a view to avoiding grievances and minimizing adverse effects on employees involved." On this issue, that's all that is contemplated by the agreement, which leaves NYC free to abolish any position regardless of pleadings by the general chairman.

As to the extra board, ORT members assigned to it will be guaranteed a 40-hour week but NYC has the right to determine how many employees will be thus assigned. If that determination results in lay-offs, the 90-days-notice and discussion procedure applies—except as to employees with relatively little seniority.

As to claims filed by NYC telegraphers with the National Railroad Adjustment Board on the basis of job losses resulting from the central agency plan, the agreement provides that its employee-protection provisions may be accepted or the claims pressed—whichever ORT prefers in each case.

Francis A. O'Neill, Jr., a member of the National Mediation Board, was mediator in the case. The joint Leighty-Fee statement referred to the "able assistance" they received from Mr. O'Neill in reaching the settlement "through collective bargaining without jeopardizing normal railroad operations."

Recalling that the North Western dispute was settled only after a 30-day strike (RA, Oct. 15, p. 62), reporters asked Mr. Leighty how a "peaceful settlement" had come this time. "From the start," the ORT president replied, "the New York Central agreed to negotiate. In the North Western case, they wouldn't even negotiate." Further questioning brought out the fact that the Central negotiations did not begin until after the North Western settlement had been reached, so that agreement was before the negotiators.

Mr. Leighty also expressed gratification that the parties settled under the auspices of NMB and "didn't have to go to any other agency." He added: "As we have said before, we think these things should be settled under provisions of the Railway Labor Act." Mr. Leighty there seemed to be registering his dissatisfaction with the course of the North Western case which the Secretary of Labor took over.

Asked if he were happy about the settlement, Mr. Leighty replied that he has "never been happy with any agreement." He added, however, that "it is a fair disposition of the dispute, and I am happy to make an agreement arrived at without strike threats."

The question as to whether a pattern had been cast was asked twice. Once Mr. Leighty replied that he was "not going to tie my hands" by any statement as to the future. His second answer, to the same effect, was that he was "not going to broadcast what my position will be in other cases."

Won't hamper management

In recommending the arbitration arrangements which are embodied in the settlement, the emergency board argued that they would "not hamper proper managerial discretion in operating the railroad." The report added:

"The carrier is free to abolish agency positions once approval has been obtained from the relevant state regulatory commission. Moreover, the carrier has the right to institute the number of traveling agents it sees fit, thus retaining necessary administrative initiative. It is only if there is challenge and disagreement that the matter is processed through arbitration. Moreover, arbitration of a matter such as here involved, which deals basically with the matter of work loads—is by no stretch of the imagination an improper encroachment on managerial discretion . . . furthermore, when the National Mediation Board recommended arbitration of the instant on Jan. 25, 1962, the carrier was quite willing to accept the proposal."

The emergency board also emphasized that its recommendation "is not designed to imply that once an arbitrator has ruled on the number of traveling agents, the number so determined must continue indefinitely regardless of changed circumstances. Quite the contrary. The arbitration would pertain to the particular circumstances obtaining at the time of the award. Changed circumstances would obviously call for a new appraisal of the situation."

The North Western board made no such recommendation, and no such arbitration arrangements are included in ORT's agreement with that road. If disputes arise there with respect to the central agency plan, they can be made Railway Labor Act proceedings by service of so-called Section 6 notices, Mr. Leighty explained.

Transport Study Is Approved

President Kennedy will ask Congress to appropriate $1,000,000 for a comprehensive study aimed at developing methods of improving transportation facilities and services in the densely-populated "megalopolitan corridor" along the Atlantic seaboard between Boston and Washington. This course was recommended to the President in a report by the task force which he appointed to look into a proposal to create a multi-state authority to operate railroad passenger services in the corridor.

The proposal was made by Senator Pell (D-R.I.), and the Presidential task force was headed by Meyer Feldman, a member of the White House staff (RA, May 28, p. 84, and Oct. 22, p. 48). The study it proposes would go beyond the Pell proposal and consider the supply and demand for all modes of transport in the corridor and related problems such as "the impact of possible programs on the society and economy of the area."

Presidential committee

The project would be conducted under the guidance of an executive department steering committee appointed by the President. It would be coordinated with the comprehensive research program called for in the President's transportation message and now under way at the Department of Commerce (RA, Dec. 3, p. 12).

The Commerce Department "has been requested to seek the services of a program director and limited staff as quickly as possible in order to start operations early in 1963," the White House announcement said. It also said the President had "emphasized that the program is to be conducted within the principles established in his message on transportation to the Congress, including continued reliance on privately owned facilities to the maximum extent practicable."

Findings which the Feldman report made to support its study recommendation included these:

1. Expenditures totaling many millions of dollars will be made on transportation facilities in the northeastern megalopolis during the next 10-15 years. The only sound basis for assuring the economical and effective use of investment funds is comprenhensive analysis of transport problems and coordinated planning of such analysis.

2. The federal government has extensive interests and responsibilities in this area of concentrated population and productive activity, which warrant substantial federal participation in an analysis of corridor transportation problems.

3. The scope of such analysis cannot be limited to the Pell proposal. Adequate treatment requires careful analysis of (a) prospective demand for various transport services, (b) alternative technical means and costs of meeting these demands, (c) the impact of transportation investment on land use patterns, on other economic activities, and of the possibility that equivalent non-transport investments will be of greater overall benefit.

4. Demand analysis requires that substantial data, presently unavailable, be compiled, and that new methodology be developed for processing it.

5. Present intercity passenger traffic flow is substantial and the demand for more adequate service will undoubtedly continue to grow. Suburban commuter traffic problems are perhaps more acute at the present time, and must also be considered, particularly in respect to time priorities.

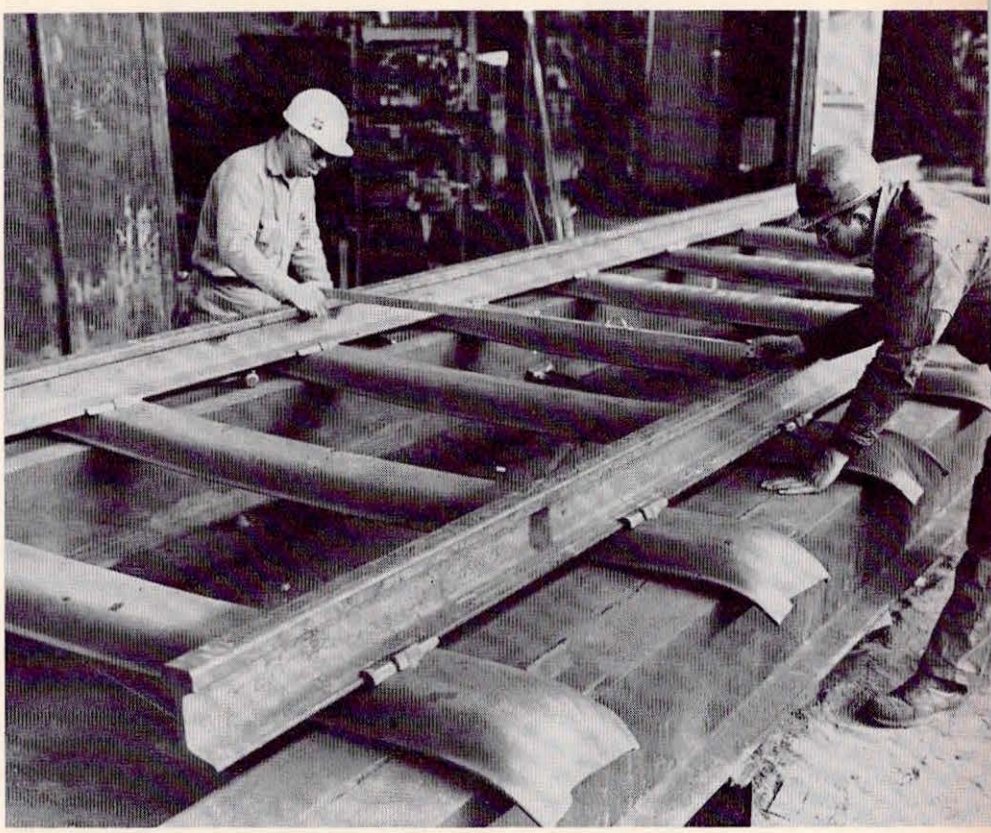
6. Supply analysis requires comparison of all reasonably available technologies for all modes and comparable cost comparisons.

7. Any positive program will raise complex questions of (a) public participation in transport activity, (b) the relationships between the federal government and the states, (c) the status of existing private transportation companies, and (d) the impact on transportation labor.

8. Equally complex problems of the money market must be solved in the event of a decision to undertake a large-scale investment program.

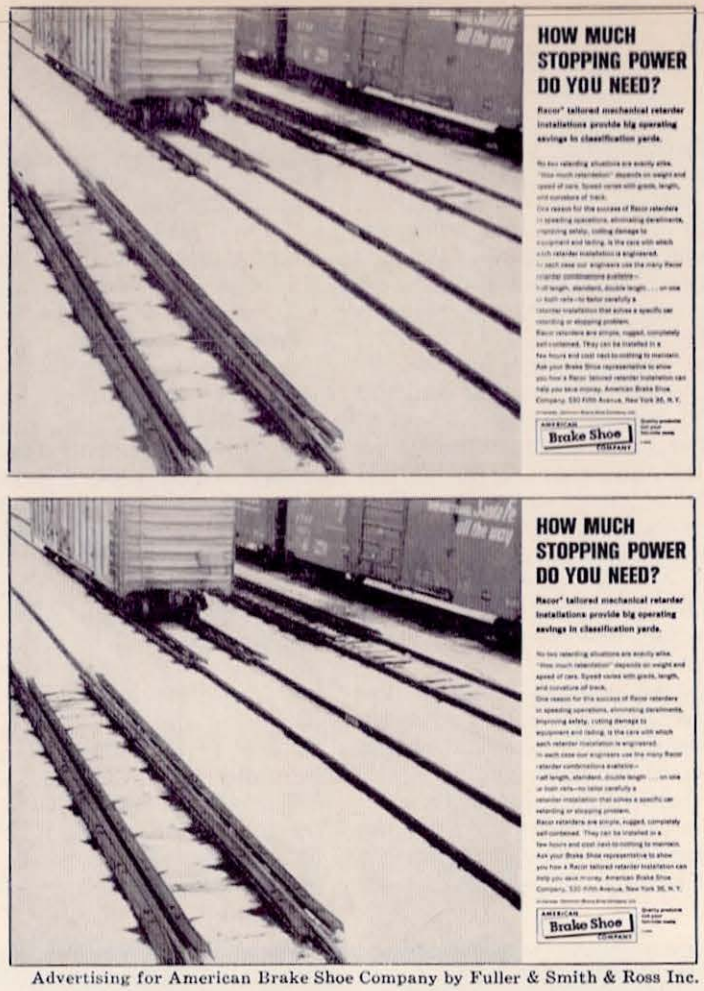
With further reference to the financing problem, the report said that it and the problem of "the effects on and possible need for changes in institutions, both public and private," may prove the most difficult of solution.

"Any positive program is bound to be controversial," because "changes in the status quo will be inevitable," the report also said, adding: "There should be economic gains overall but some interests will probably be hurt."



From Bethlehem: Steel Ties For Pakistan

Inspectors check part of a 15,000-ton order of jumbo steel ties being produced by Bethlehem Steel for a new railroad line in Pakistan. The ties measure about 9 feet long and 12 inches wide and weigh 171 lbs each. They will be used in 66-in.-gage track.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Racor* tailored mechanical retarder installations provide big operating savings in classification yards.
Brake Shoe
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Racor* tailored mechanical retarder installations provide big operating savings in classification yards.
Brake Shoe

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No wonder American Brake Shoe placed 37 pages of advertising in the Railway Age Group in the first nine months of this year alone. No wonder approximately 70% of *all* advertising in the railroad business magazines appears in the Railway Age Group! Ask your Railway Age man for the full story. Simmons-Boardman Publishing Corporation, 30 Church Street, New York 7, N. Y. WO 4-3060.

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People in the News

ATLANTA & WEST POINT—WESTERN OF ALABAMA—GEORGIA.—Arthur E. Piedlow appointed general agent, Chicago.

ATLANTIC COAST LINE.—A. R. Timberman, Jr., appointed general industrial agent, Chicago.

BURLINGTON.—Glenn F. Reynolds appointed assistant freight traffic manager; **Robert E. Parrish,** general freight agent (commerce), and **George A. Ralcewich,** assistant general freight agent, all at Chicago.

CANADIAN PACIFIC.—George H. Baillie appointed vice president—special duties, Montreal, pending his transfer to London, England, and his appointment early next Spring as managing director, Europe, for the CPR. On Jan. 1, 1963, Mr. Baillie will be succeeded by **J. N. Fraine** as vice president—rail operations, at Montreal. **L. R. Smith,** assistant general manager, Prairie region, Winnipeg, Man., will become vice president and general manager, Pacific region, Vancouver, B.C., succeeding Mr. Fraine. **J. R. Strother,** general manager, Atlantic region, Montreal, will become vice president and general manager of that region.

CHICAGO & NORTH WESTERN.—Lyle W. Bjerken, assistant general freight agent, Milwaukee, Wis., appointed general foreign freight agent, Chicago, succeeding **Raymond J. Degnan,** advanced to director, motor services (RA, Dec. 3, p. 28).

ERIE-LACKAWANNA.—A. A. Carbone appointed assistant superintendent — motor transport service, Cleveland, Ohio.

W. J. Mills named supervisor and **W. H. O'Neill,** assistant supervisor — piggyback operations at 51st Street Terminal, Chicago. **J. J. Herlihy named** supervisor—piggyback operations at Croxton Terminal, Croxton, N.J., and **George H. Hogrefe** and **Charles Sillis** appointed assistant supervisors there.

FORT WORTH & DENVER.—Nelson H. Hill, city passenger and ticket agent, Fort Worth, Tex., appointed district passenger agent, Houston, Tex., and is succeeded by **Robert L. Brown.**

FRISCO.—George M. Rayburn, assistant controller, elected secretary-treasurer, effective Jan. 1, to succeed **R. J. Stone,** vice president-secretary-treasurer, retiring.

LOUISVILLE & NASHVILLE.—R. B. Elliott, district freight agent, Orlando, Fla., appointed Florida perishable traffic agent at that point, a new position. **Wiley V. Harper,** traveling freight agent, Miami, Fla., appointed district piggyback representative, Orlando, a new post.

MILWAUKEE.—Roy K. Baker, assistant general storekeeper, Milwaukee, Wis., appointed general storekeeper there, to replace **Glen V. Ireland,** retired (RA, Nov. 26, p. 78).

NEW YORK CENTRAL.—R. F. Doyle, district supervisor maintenance—mechanical, Northern district, Detroit, Mich., appointed chief mechanical engineer, New York, succeeding **F. A. Danahy,** whose appointment as chief mechanical superintendent—car was reported in RA, Oct. 22, p. 46.

NORFOLK & WESTERN.—Offices of the resident vice president, general agent, superintendent, coal traffic manager, division engineer and general claim department in Union station

George H. Baillie
CPR

J. N. Fraine
CPR

L. R. Smith
CPR

J. R. Strother
CPR

George M. Rayburn
Frisco

Roy K. Baker
Milwaukee

Norfolk, Va., were moved to the new office building—passenger station at 2200 Redgate Avenue, Norfolk, on Dec. 7.

The ticket office and local freight agent and his staff will remain at the old station until Dec. 26, when passenger trains will begin operating in and out of the new station.

The sales and service offices, freight traffic department, now in the Royster Building, were moved to the new building Dec. 12.

READING.—A. Myron Arnold, assistant secretary, elected assistant secretary and assistant treasurer, Philadelphia.

REA EXPRESS.—James A. Smith appointed chief engineer and will direct research and survey operations in connection with the design and automation of new express facilities. Mr. Smith, former superintendent of buildings, Northwestern region, is succeeded by **William B. McClurg.**

Alan F. Doniger appointed general attorney, law department.

ROCK ISLAND.—Richard Lyle, assistant manager, travel center, LaSalle Street Station, Chicago, named manager of the center, replacing **John D. Florance,** who retired Nov. 30.

Julius J. Schipitsch appointed assistant to vice president-operations, Chicago.

SANTA FE.—B. J. Hutton appointed signal engineer, eastern lines, Topeka, Kans., succeeding **O. C. French,** promoted to superintendent signals, system (RA, Dec. 10, p. 50).

SEABOARD.—J. L. Williams, assistant to general purchasing agent, Richmond, Va., appointed general storekeeper there, succeeding **H. F. Perritt,** retired (RA, Dec. 10, p. 50).

SOUTHERN.—Charles C. Bostwick, assistant to vice president—sales Washington, D.C., promoted to manager sales, Government Traffic, at that point.

SOUTHERN PACIFIC.—Effective Jan. 1, **James F. Lynch, Jr.** appointed assistant division engineer, Los Angeles division, SP, Los Angeles, replacing **Joseph W. Ferguson,** named division engineer, Northwestern Pacific, San Rafael, Calif.

D. K. Miller, assistant superintendent, Sacramento division, appointed assistant superintendent of safety, San Francisco.

SOUTHERN PACIFIC-COTTON BELT.—C. R. Dehm, district freight and passenger agent, Waco, Tex., retired Nov. 30.

UNION FREIGHT.—Edmund M. Sweeney named vice president, Boston, Mass. Mr. Sweeney is also counsel and clerk of the corporation. **John A. Gregg,** superintendent, Boston division, **New Haven,** named general manager for railroad operations of Union Freight, a switching road operated for freight service only, connecting the **New Haven, Boston & Maine** and the **Boston & Albany.**

Supply Trade

Frank Baird-Smith, president of the **Union Tank Car** divisions, **Refiners Transport & Terminal Corp.** and **Bulk Terminals Co.,** retired Nov. 30.

Robert P. Thompson, manager of central engineering and research, **Line Material Industries,** at South Milwaukee, Wis., has been named vice president of engineering and research, Milwaukee, succeeding **Richard C. Kirk,** appointed apparatus engineer, New Orleans.

James H. Graebner has been appointed to the newly created position of manager, mass transit marketing services, **Pullman-Standard.**

Norman B. Champ, Jr., has been appointed assistant to general manager of **St. Louis Car Division of General Steel Industries, Inc.** Mr. Champ was formerly vice president, Crane Co., New York. **Edmond G. Dunlop,** manager, rail engineering, Canadian Car Division, Hawker Siddeley of Canada, Ltd., Montreal, has been appointed assistant chief engineer for St. Louis Car.

William C. Hurson has been elected assistant vice president, **Youngstown Steel Door Co.** at Cleveland, Ohio, effective Jan. 1, 1963. Mr. Hurson is at present a vice president at Chicago of **Camel Sales Co.,** wholly-owned subsidiary of Youngstown Steel Door.

Louis M. Flemming has been named a sales service engineer, Railway Sales Department of **Cities Service Oil Co.,** St. Paul, Minn. Mr. Flemming previously was a lubrication engineer, St. Paul division. In his new post, he will coordinate railway sales in the Milwaukee, Des Moines and St. Paul divisions, reporting directly to **Martin Mosher,** manager of railway sales, in New York.

Mannix International, Inc., has appointed **Fred W. Holstein, Inc.,** Landing, N.J., sales representative on the Eastern seaboard.

Lackawanna Plastics Corp., Hackettstown, N.J., has been appointed national manufacturer's representative for the new line of vinyl cushioning made by **Union Carbide Plastics Co.** Lackawanna Plastics will specialize in sales to manufacturers of seating for transportation equipment and furniture.

James B. Reed and **Burton L. Felldin** have been appointed regional sales managers, Fire Protection Products Division of **Ansul Chemical Co.** to head the Northern region and Northeast region, respectively, at Chicago and Paoli, Pa.

Edward S. Evans, Jr., president, **Evans Products Co.,** Plymouth, Mich., has been elected chairman of the board. **Monford A. Orloff,** vice president, Building Materials Division, has been elected Evans president.

Edward P. Gruca has been appointed director, engineering and development, **Stanray Products Division of Stanray Corp.,** Hammond, Ind. Mr. Gruca was formerly with the research and development department whose functions have been realined.

Max L. Brown and the New York staff of the Press Relations Department of **Bethlehem Steel Co.,** are now located in Room 1503, 25 Broadway, New York 4, N.Y. They were formerly at 375 Park Avenue.

Walter B. Meyl has been appointed locomotive and diesel engine renewal parts representative, **Alco Products, Inc.,** for the northeastern United States, at North Bergen, N.J., warehouse.

H. P. W. Giroux has been appointed general manager, Canadian operating division of **Thermo King Corp.,** at 54 Spalding Drive, West Brantford, Ont.

Richard A. LeBeau has joined **Union Asbestos & Rubber Co.,** Chicago, as district sales manager of its Equipment Specialties and Equipco Hand Brake Divisions. The area covered by Mr. LeBeau will include Chicago and St. Louis. **Gerald R. McLaughlin** has been promoted to manager of customer relations for the two divisions. **The Stan M. Haigh Co.** has been named sales representative for the two divisions covering the twin-city area of Minneapolis and St. Paul.

Joseph T. Ryerson & Son, Inc., announced signing of an agreement with Van der Vliet & de Jonge, Amsterdam, The Netherlands, to form a new corporation, **Ryerson-Holland, N.V.,** in The Netherlands. An operational processing center will be built in Vreeswijk, 25 mi. from Amsterdam. With the exception of Sales Manager **Fred Martin,** former manager of sales administration for Ryerson's central reinforcing products plant at Chicago, all employees of Ryerson-Holland, N.V., will be Netherlanders.

Gould-National Batteries, Inc., St. Paul, Minn., has announced its purchase of all assets and lead smelting equipment of the **Sentinel Products Division of Aaron Ferer & Sons Co.,** Omaha, Neb.

OBITUARY

J. H. Alldredge, 75, former member (1939 to 1955) of the **Interstate Commerce Commission,** who fought for equitable freight rates for the South, died Dec. 5 at Montgomery, Ala.

YOU OUGHT TO KNOW

A nuclear electric power plant, designed to produce one million kilowatts, is being planned for New York City by Consolidated Edison Co. Con Edison has applied to the Atomic Energy Commission for a permit to construct the facility in Long Island City. The $175-million facility would be in operation by 1970.

A 10% rate reduction on frozen citrus concentrate moving from Florida to points in the South, midwest and west has been proposed by originating Florida railroads. Atlantic Coast Line Vice President P. J. Lee noted that the proposed rate cut comes at a time when concentrate processors are faced not only with a record carry-over from the 1961-62 frozen-orange-concentrate pack but also with another probable record production during the 1962-63 season.

Institute for Rapid Transit has appointed a public information committee to see that communities in general, and public officials in particular, are fully informed of the advantages of rail transit. Members are Robert D. Weeks, Erie, Pa., manager of metropolitan transportation sales of General Electric, chairman of the committee; Harold L. Polland, director of public information for the Chicago Transit Authority, vice chairman; J. M. Purcell, director of public information for the Metropolitan Transit Authority of Boston; B. R. Stokes, assistant general manager and director of public information for the San Francisco Bay Area Transit District; and James McManus, sales manager, O. M. Edwards Co., Syracuse, N. Y.

Closing of the passenger station at East Cleveland, Ohio, became effective Dec. 15, with all train stops there discontinued. The station had served as a joint facility for the Nickel Plate and the New York Central.

Railroad Insurance Management Association has been formed to encourage an exchange of views on a variety of matters, including handling of claims, adequacy of liability limits, types of coverage available for unusual risks. Officers are A. E. Rose, manager of insurance, Rio Grande, chairman; G. A. Royce, manager of insurance, Pennsylvania, vice chairman; C. R. Colklesser, manager of insurance, Southern, secretary-treasurer.

Commuting is a slow process for the average worker in the Philadelphia metropolitan area. A survey by the Penn-Jersey Transportation Study shows that the average commuter takes 33 minutes to get to work—at an average speed of 13 mph. More than 68% commute by private auto (vs 2.9% by railroad). Train speeds, the Penn-Jersey survey indicated, average a mile or two per hour faster than automobile speeds—and train commuters average about double the trip length of auto commuters. The study was designed to develop information for the $4 million Philadelphia-Camden-Trenton area transport planning group, which now has five proposed plans under observation. Final recommendations for urban transportation aren't expected before next October.

"Chessie," the C&O sleeping kitten symbol who has outsnoozed Rip Van Winkle, will sleep her way through her 30th consecutive calendar with the printing of the railroad's 1963 version, C&O officers announced. The under-cover-girl cat, who went to sleep in 1934, will share the calendar's pages with views of railroading and scenic sights along the C&O. But Chessie herself is pictured on the Jan.-Feb. page in a fold-out suitable for framing. The popular cat has appeared on more than 7 million C&O calendars.

General American customers who have leased approximately $30,000,000 worth of new freight cars during 1962 will have an opportunity to take advantage of the 7% income tax reduction provided for purchasers of capital equipment by the 1962 Revenue Act. In the case of new leased equipment, the Act permits the lessor to pass the benefit of the tax credit on to the lessee.

A second extension of time now gives an emergency board until Jan. 5 to make recommendations in the BLF&E-Belt Railway of Chicago rules dispute. In the meantime, negotiators returned to the bargaining table last week seeking an agreement based on the fact-finding board's proposals for settlement of the dispute.

A standard simplified rate for movement of military tactical units, recently adopted by the railroads, was applied with "great effectiveness" during the Cuban emergency, the Defense Traffic Management Service said last week.

Fines totaling $19,000 were paid in November by 18 railroads for violations of the Safety Appliance, Hours of Service, Locomotive Inspection, and Explosives and Combustibles Acts. Biggest payer was the Baltimore & Ohio, assessed $3,500.

"Private Carriage" will be the subject of an address by J. P. Hiltz, Jr., president, Delaware & Hudson, at the Jan. 10 luncheon of the Atlantic States Shippers Advisory Board in New York's Commodore Hotel. The luncheon will conclude a two-day board meeting which will begin Jan. 9.

Two-in-One

The next issue of Railway Age will be a two-in-one edition, a holiday-season practice initiated several years ago. The Dec. 31 issue will be combined with the Dec. 24 issue. The combined issue of Dec. 24/31 will be mailed Dec. 28.

How do you Allocate Locomotive Costs on Your Railroad?

E. C. Poole, in his new book* on railroad cost analysis (page 30) says that fuel consumption is the most satisfactory basis for allocation of expense of road locomotives, while engine-hours is the most accurate gage on which to distribute the expense of yard locomotives.

Whether you agree or not, you'll find informative and challenging the author's reasons for reaching this conclusion—and hundreds of others of equal importance, for attaining maximum earnings and efficiency on any railroad, including your own!

*COSTS—A TOOL OF RAILROAD MANAGEMENT, published by Simmons-Boardman Publishing Corporation, 30 Church Street, New York 7, New York. 193 pages (8½ inches x 11 inches, soft bound) plus many charts and graphs. Price $6 per copy—liberal discounts for orders in quantity.

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More
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Good Will To Whom?

It is timely at the Christmas season to recognize the important fact that most major problems confronting Americans (including transportation problems) lie in the domain of morals. It is difficult to induce serious discussion of such questions because, for some elusive reason, most people are reticent when asked about their deepest beliefs.

The late Dean Inge in one of his essays tells of a churchwarden who was asked what he thought would become of him when he died. His reply was to the effect that: "I suppose I shall go to everlasting bliss, but please let's not discuss such unpleasant subjects."

Pleasant or unpleasant, however, the future of America—including the future of transportation—depends upon how many people believe (and how deeply) in such precepts as: *Thou shalt not steal; thou shalt not bear false witness; thou shalt not covet; thou shalt love thy neighbor as thyself.*

Prosperity and freedom in this country were built on a considerable degree of observance of these principles—which are the foundation underlying the doctrines of political and economic freedom. That is to say—economic and political freedom cannot endure for long where people are thieves (including those whose theft is legalized by political action, as well as those whose acts are punishable under the law). Freedom cannot persist, either, where people are predominantly untrustworthy; and where they seek to garner to themselves the rewards of the enterprise of others, and are careless of the welfare of their neighbors. This is not to say, of course, that virtue has always characterized every phase of this country's development—but, unless it had usually predominated, we just would not have our kind of country.

All of the expressions of affection and goodwill that are exchanged at this time of year are just so much waste of printing, paper and postage unless the words are matched by deeds. The essayist C. S. Lewis has observed that he would sooner play cards with a man who was skeptical as to ethical principles but who had been brought up to believe that a gentleman does not cheat—than to risk his bankroll in play with a moral philosopher who had been raised among cardsharks.

We have heard scores of talks and read millions of words on principles of business management—wherein most if not all the emphasis was laid on sound economics, modern technology and skill in psychology. Seldom does anything appear in such literature on the importance of the basic principles of ethical behavior. The fact is, though, that the smartest operator in secular skills will be a complete flop at the head of an organization—unless he is also recognized as a man of his word who is not blatantly self-seeking.

We need more people in transportation who will speak out frankly on these questions. One railroader who has recently broken the barrier of silence in this area is Passenger Traffic Manager E. L. Holmes of the Illinois Central—who a few weeks ago spoke plainly on these matters to the Railroad Passenger Club of Atlanta.

As a railroad passenger man in 1962, he acknowledged his indebtedness to the founders and preservers of this republic and to the economic, political and ethical principles which they obeyed. He related the history of railroads to this same background, and declared his belief that our attainments in economic progress could not persist if the moral self-discipline which gave rise to this progress were discarded. He ended his remarks with a statement of his faith in "a Power greater than that of ourselves alone."

There are few actions more pleasurable—or more futile—than that known as "confessing other people's sins." Since other people have so many sins that need confessing, especially in the realm of transportation, the urge to admonish them to repent and reform is a strong one among railroaders (not omitting railroad journalists, either). But, to accomplish concrete results, it is usually more effective for a fellow to concentrate on the discovery and correction of his own shortcomings, of which most of us by diligent search can usually uncover one or two.

Not Judges in Their Own Cause

Anyhow, it is comforting to observe that the railroad industry is not pressing for changes in its situation based solely on its interest in its own selfish welfare. That is to say, on the working rules issue railroads are not asking anybody to accept changes because the industry wants them for its own benefit. Instead, it asks only for those modifications that an impartial Presidential Commission has recommended (and some of which would be quite costly to the railroads).

On the question of regulation, railroads are not pressing for all the changes they themselves would like to have, but only for those which the President and objective consultants have agreed upon as desirable in the public interest. On the issue of railroad mergers, the industry has not united behind the objectives of any one partisan group.

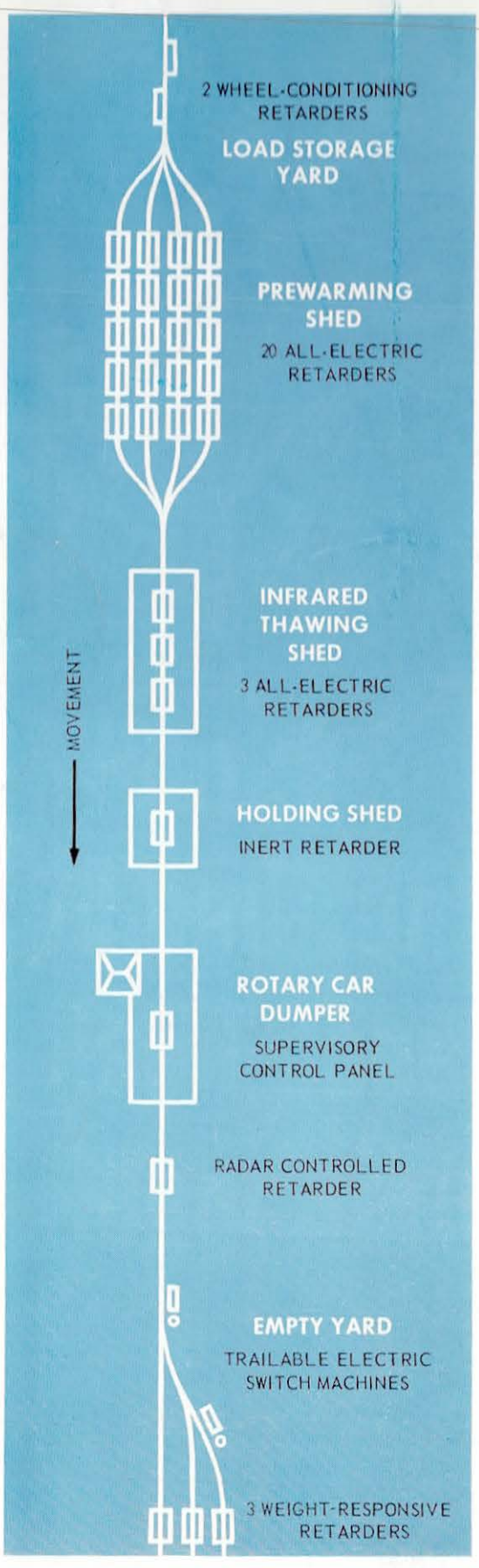
Railroaders, then, are tempering their self-seeking zeal to the discipline of the old-fashioned Commandments. At this time of year especially, it is a mighty good thing to recognize the obligation to obey these Commandments—not furtively or shame-facedly, but openly and candidly. And to dedicate the New Year to widening and deepening their application.

Time out from toil and tension . . . time to pray:
"Peace on Earth; good will to men."

THE KERITE COMPANY

Theodore O. Kerite

PRESIDENT



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